State Government

- ★ *The Virginia Retirement Plan*
- ★ *California Builds a New Prison System*
- ★ *Interstate Enforcement of Tax Laws*
- ★ *Mississippi's "BAWI" Program*
- ★ *Action by the Legislatures*

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Among the States

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Arkansas and Texas Legislative Elections.—Voters of Arkansas and Texas will be called on this year, for the first time in many years, to elect all members of their state Senates as well as of their lower houses. Senators in both states serve for staggered, four-year terms. Owing to Senatorial redistricting measures in both states, however, it will be necessary for all Senators as well as House members to be re-elected in 1952.

●

Study of Federal Aid.—A subcommittee of the Northeastern Regional Continuing Committee on Social Welfare has completed a report and recommendations dealing with decentralization of administration in federally-aided welfare programs. The report is aimed at the development of procedures to substitute state and local initiative for detailed federal supervision and control while at the same time preserving effective measures to prevent improper expenditures. An important recommendation would set up a seven-member committee, consisting of three Governors, three federal officials and a full time chairman to iron out disputes between the states and federal agencies supervising grant-in-aid programs.

●

New York Tax Enforcement.—New York recently invoked for the first time its law authorizing suspension of a retail diesel motor fuel dealer's license for failure to keep records and to make proper reports of diesel fuel sales. At present the dealer is required only to report, but an amendment effective in October will place responsibility upon retail dealers for collection and payment of the tax. At that time bulk storage users also will be responsible for the tax and for filing monthly returns.

●

Sales Tax Tokens.—**Mississippi** and **Missouri** this year have abandoned use of tokens in their sales tax collections. Statutes in only two states, according to the Federation of Tax Administrators, now provide for use of tokens.

●

Arizona Boundary Commission.—Governor Pyle has declared his intention to reactivate the Arizona Boundary Commission, a three-member group appointed in 1941 to meet with a similar group from California to discuss boundary problems. The Governor expressed belief that it is in the state's interest to reactivate the commission because California is nearing completion of a survey of the lands along her side of the Colorado River. The recent session of the legislature authorized a survey on the Arizona side.

●

Montana Personnel Proposal.—Montana's State Reorganization Commission has tentatively recommended establishment of a four-member appointive personnel commission to administer the problems of the state's 4,000 workers. The Governor would appoint the commission, no more than two members to be of the same political party. The commission would appoint a personnel director whose duties would be to investigate and recommend anything needed for personnel administration, establish classification plans, report to the Governor and legislature, and make rules and regulations to carry out the provisions of the act creating the agency. The commission also would act as a board of review in personnel matters.

●

Turnpike Developments.—Early in June a bond issue of $326 million for the **Ohio** Turnpike was offered by an underwriting group of 410 bond houses. It is the largest single revenue bond issue ever offered. Construction of the 241-mile super toll road across northern Ohio is expected to begin by autumn and should be completed in thirty-four months if pending constitutional questions are cleared promptly by the Ohio Supreme Court. The court upheld the original turnpike statute in 1951, but the measure was amended this year and new suits were brought to attack its validity.

Meantime the **Massachusetts** legislature moved to approve a proposed toll road authority to construct a turnpike from Boston to the New York state boundary. It would connect with both the **New York** thruway and **Connecticut's** parkway system, and is expected to cost $150 million. The toll road may be ready for use by 1954; tentative plans call for maximum speed limit of 80 miles per hour.

●

New Jersey Highways.—State Highway Commissioner Ransford Abbott has announced completion of plans to simplify and renumber most of New Jersey's 1,750 miles of state highways. The change will come at the beginning of 1953, when some 10,000 new, 24-inch markers will replace 15,000 smaller highway signs. State highways that are also designated as U.S. routes will be posted with national markers only to eliminate confusion and duplication.

New Jersey's highway department recently opened two new lanes for access to the Holland Tunnel, connecting with New York City. For five years this area had been the scene of one of the worst traffic bottlenecks in the New York-New Jersey metropolitan section.

●

Truck Safety Regulation.—The states appear to be in a position to enforce reasonable safety requirements with regard to motor transportation engaged in interstate commerce. An **Ohio** statute requiring special mudguards on all heavy trucks has been upheld by a United States District Court, and review has been refused by the United States Supreme Court in the case of *Tom's Express, Inc.* v. *Ohio*. The Ohio law had been attacked by a West Virginia trucking company.

●

Highway Awards.—**California** and **Michigan** have tied for first-place awards by the National Institute of Traffic Engineers for the best engineered highways among the

eight largest states. Meantime, Colorado has been named one of the winners of grand awards in the National Safety Council's 1951 traffic safety contest. The state also placed first among the western states group.

●

Phoenix Child Heart Clinic.—The children's heart clinic of the Phoenix, **Arizona,** Public Health Department has been singled out for praise by the federal Children's Bureau and the Bureau of Crippled Children's Services. Organized several months ago under joint sponsorship of the city and state health departments, the clinic was praised for its care in selection of cases and for its clinical reports.

Any Arizona child under 21 is eligible for the clinic provided he or she is referred to it by the family physician. Once approval is obtained from the parents, complete diagnostic service is available without charge. Children requiring special corrective surgery, and approved for care at special medical centers in Los Angeles or San Francisco, will have expenses paid from Children's Bureau funds.

●

Virginia Public Assistance.—The State Board of Welfare and Institutions has approved an increase of 10 per cent in the standard monthly allowance for food, clothing and personal care for all persons receiving public assistance under the six general programs in effect in Virginia: old-age assistance, aid to dependent children, aid to the blind, aid to the permanently and totally disabled, foster care, and general relief.

Effective July 1, local police authorities in Virginia will be notified when deserted children are granted assistance under the aid-to-dependent-children program. Local authorities must request that the family of a father who has deserted institute state court proceedings to seek a judgment to force him to contribute. If the family refuses and the children continue to receive aid, the local welfare department must go to court on the matter.

●

Movie Censorship.—The United States Supreme Court recently reversed the action of **New York's** highest court in banning "The Miracle" as sacrilegious. The United States Supreme Court held that the constitutional guarantees of free speech now cover motion pictures. It seemed clear that legislation for movie censorship in the future would need to be clearly and carefully drawn to be sustained.

●

Washington Crime Investigation Ruling.—The Washington State Supreme court recently ruled that the legislative crime committee may look into vice and corruption at both the state and local levels of government. Authority of the committee to investigate at the city and county levels was challenged. In a 5 to 4 decision, the court denied the challenge and ruled that municipal corporations are regarded as subordinate subdivisions of the state government.

●

California Ends Alien Land Law.—Attorney General **Edmund G. Brown** signaled the end early in May for **California's alien land law. Earlier, the state Supreme Court** declared the law unconstitutional, and the Attorney General announced he would not appeal the decision to the United States Supreme Court. The law had banned Japanese, Koreans and other aliens ineligible for United States citizenship from owning property in California. The state Supreme Court invalidated the law as violative of the Fourteenth Amendment of the U.S. Constitution.

●

Oklahoma Oil Law.—Oklahoma's "compulsory unitization act," intended to reduce waste in oil and gas production, has been upheld by the United States Supreme Court through a dismissal of appeal on the ground that no substantial federal question was involved. The statute, enacted by the Oklahoma legislature in 1945, provides for unitized operation and development of separately owned holdings which have a common source of supply.

●

Regional Civil Defense Meeting.—The first regional police institute of the Federal Civil Defense Administration was held in Portland, Oregon, on May 19–20. Initiated to coordinate police services pertaining to civil defense and disaster relief, the institute was restricted to city, county, state and federal police authorities and civil defense personnel. Representatives attended from Oregon, Washington, Idaho and Montana, with observers from California, Texas, Washington, D.C.; British Columbia, and Alberta, Canada.

●

Idaho Civil Defense.—The Idaho Civil Defense Advisory Board recently approved a master plan for use in event of enemy attack or natural disaster. The board recommended that the Governor adopt the plan and request the next session of the legislature to provide necessary funds for its fulfillment.

●

Conservation Conference.—The Tenth Northeastern State Conservation Conference of the Council of State Governments was held at New Haven, **Connecticut,** on May 15–16 under the joint auspices of the Connecticut Commission on Intergovernmental Cooperation and the Yale University School of Conservation. Governor Lodge delivered the welcoming address, and a series of papers and round-table discussions covered the broad field of conservation. Action included the setting up of a special committee to develop equitable provisions for non-resident fishing and hunting licenses, recommendations for extensive use of the interstate compact in resources development, the urging of action to complete ratification of the Delaware River Basin compact, and a recommendation for development of a coordinated plan to eliminate the gypsy moth in the region.

●

Western Agriculture Meeting.—The Western Interstate Committee on Agriculture of the Council of State Governments met in Salt Lake City, Utah, on May 5 and 6. Among topics discussed and acted upon were regional marketing facilities, need for uniformity and standardization of produce containers, halogeton weed control programs, rain-making legislation and programs, and the responsibility of the federal government for pest control on federally-owned lands.

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FRANK SMOTHERS
Editor

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In this article Charles H. Smith, Director of the new Virginia Supplemental Retirement System, tells how his state has solved a problem that appeared difficult when first considered. The state, which had a retirement system for many of its employees, desired to arrange for Old Age and Survivors Insurance, under the Congressional legislation of 1950, as a retirement base for all state and local government personnel in Virginia. But the federal legislation prohibited social security coverage for employees who held positions eligible to be included under an existing retirement system. The solution, in brief, was to end the old system, obtain social security coverage for all, then enact a supplemental state retirement plan. Mr. Smith now describes these steps and how Virginia made them effective.

The Virginia Retirement Plan

By Charles H. Smith

Director, Virginia Supplemental Retirement System

Since the launching of Virginia's new retirement system—which provides Old Age and Survivors Insurance as a retirement base for governmental employees and an additional state retirement plan as well—much interest has developed in other states as to reasons for it and how it came into being.

To achieve the plan it was necessary for Virginia to become the first state to repeal its prior retirement system and to enact the kind of legislation adopted here.

Reduced to brief form, a history and outline of the plan as developed in Virginia follows:

The 1950 session of the General Assembly directed the Advisory Legislative Council to make a study of the Virginia Retirement System, primarily for the purpose of considering hardship cases. It was to do so in consultation with the Board of Trustees of the Virginia Retirement System and other agencies and offices.

Following adjournment of the General Assembly, Congress enacted amendments to the federal Social Security Act to provide for coverage of state and local governmental employees under certain conditions, but not if they held positions eligible for coverage under an existing pension system. Governor John S. Battle then directed the Advisory Legislative Council to make a study of this question.

It was apparent that the two matters involved substantially the same groups. A subcommittee was appointed, and a public hearing was held at which interested employees expressed their views. The committee became fully informed of legislative progress in other states on Social Security coverage.

It was discovered that costs prohibited including in the Virginia Retirement System state governmental employees then ineligible for it, and the committee felt that Social Security coverage should be provided for them as well as for employees of local political subdivisions. Such coverage could be had after adoption of enabling legislation. It was also the feeling, however, that, with Social Security for some of the governmental employees and not for those participating in the Virginia Retirement System (teachers and regular salaried state employees), inequities would be apparent when costs and benefits were compared.

It seemed desirable, accordingly, to have Old Age and Survivors Insurance as a retirement base for all governmental employees in Virginia. This recognition led to development of a plan by the Board of Trustees of the Virginia Retirement System, through its Director assisted by the board's actuaries, designed to provide Social Security coverage and, in addition, a Virginia Supplemental Retirement System for the employees eligible to participate in the existing state system. Upon presentation of the plan to the subcommittee, the Director was requested to make contact with the Federal Security Agency to determine if it would conform to federal requirements. Several conferences followed, with the result that the plan, after some modification, was approved by the Federal Security Agency. The subcommittee recommended the program to the Virginia Advisory Legislative Council, which in turn reported unanimously and favorably to the Governor. On November 29, 1951 Governor Battle released the report to the public.

The combined Federal Social Security and Virginia Supplemental Retirement System plan and the steps to its attainment may be summarized as follows:

1. Repeal of the Virginia Retirement Act effec-

tive February 1, 1952. In this the vested rights of the members were considered to be fully protected, as indicated in an opinion by Attorney General J. Lindsay Almond, by creation of two trust funds. The first, actuarially determined, was to be used for payment of retirement benefits to those retired for either service or disability under the old Virginia Retirement Act or the old teacher pension plan; it was further provided that any member meeting the eligibility requirements for retirement by February 1, 1952, would be given an opportunity to retire by February 15, 1952. The second trust fund would include the accumulated contributions of the members in the old Virginia Retirement System, which were to be refunded to the members unless a transfer of contributions was authorized by February 1, 1953, to a new Virginia Supplemental Retirement System. With repeal, interest on accumulated contributions would cease.

2. Enactment of enabling legislation by February 1, 1952, which would make it possible for the state to enter an agreement for coverage under the Old Age and Survivors Insurance Title of the Social Security Act. The date for signing the original agreement was set as February 16, 1952—at which time the state employees and teachers who had been eligible for membership in the repealed system would not be working in positions covered by a state retirement system.

3. Establishment of a Virginia Retirement System to supplement the Social Security coverage and to be effective March 1, 1952, containing the following major provisions:

(a) Employee contributions at the rate of 4 per cent on that portion of annual salary in excess of $1,200. This cost, when added to the 1½ per cent contribution for Social Security, would result in the employee paying 1½ per cent on the first $1,200 of salary; 5½ per cent on the next $2,400—1½ per cent of which would be for Social Security and 4 per cent for the Supplemental System; and 4 per cent on excess of salary above $3,600. The effect would be to decrease the cost to the low salaried employee and increase it for those in the higher brackets, since the old Virginia Retirement System limited the salary upon which contributions were paid to $3,600. (See Table "A".) The minimum contribution rate under the old Virginia Retirement System was 5 per cent, or one could choose to contribute at an age rate, up to approximately 9 per cent.

(b) Upon attaining age 65 the member would be eligible for normal retirement benefits.

(c) Optional retirement benefits would be permitted upon attaining age 60, these benefits to be actuarially equivalent to benefits at the normal retirement age based on salary and years of service at the early retirement age.

(d) In addition to the primary Social Security benefit, the member would receive, upon attaining

TABLE A

Comparison of estimated cost per year to members with annual salaries as listed in Column (1) under the combined federal Social Security and Virginia Supplemental Retirement System and the former Virginia Retirement System, using Social Security rate as indicated in Columns (3) through (7) for first $3600 of salary, and for Virginia Supplemental Retirement System a rate of 4 per cent on full salary in excess of $1200.

Annual Salary	Cost for Former Virginia Retirement System Using Minimum Rate 5% (a)	Cost for New Combined Plan Using Soc. Sec. Rate 1½% 1/1/51 to 1/1/54	Cost for New Combined Plan Using Soc. Sec. Rate 2% 1/1/54 to 1/1/60	Cost for New Combined Plan Using Soc. Sec. Rate 2½% 1/1/60 to 1/1/65	Cost for New Combined Plan Using Soc. Sec. Rate 3% 1/1/65 to 1/1/70	Cost for New Combined Plan Using Soc. Sec. Rate 3¼% 1/1/70 and After
(1)	(2)	(3)	(4)	(5)	(6)	(7)
$1,200	$60.00	$18.00	$24.00	$30.00	$36.00	$30.00
1,800	90.00	51.00	60.00	69.00	78.00	82.50
2,400	120.00	84.00	96.00	108.00	120.00	126.00
3,000	150.00	117.00	132.00	147.00	162.00	169.50
3,600	180.00	150.00	168.00	186.00	204.00	213.00
4,200	180.00	174.00	192.00	210.00	228.00	237.00
5,000	180.00	206.00	224.00	242.00	260.00	269.00
6,000	180.00	246.00	264.00	282.00	300.00	309.00
7,000	180.00	286.00	304.00	322.00	340.00	349.00
8,000	180.00	326.00	344.00	362.00	380.00	389.00
9,000	180.00	366.00	384.00	402.00	420.00	429.00
10,000	180.00	406.00	424.00	442.00	460.00	469.00

(a) If one chose to contribute at the age rate, cost would be higher.

TABLE B

Comparison of annual service retirement allowance upon attaining age sixty-five under the former Virginia Retirement System with annual benefit under the new combined Social Security and Virginia Supplemental Retirement System based on average annual salary and years of creditable service.

(1)	(2) 15 Years of Service		(3) 20 Years of Service		(4) 35 Years of Service	
Average Annual Salary	Former Virginia Retirement System (a)	New Combined Soc. Sec. and Virginia Supplemental Retirement System (b)	Former Virginia Retirement System (a)	New Combined Soc. Sec. and Virginia Supplemental Retirement System (b)	Former Virginia Retirement System (a)	New Combined Soc. Sec. and Virginia Supplemental Retirement System (b)
$ 2,000.00	$428.00	$ 840.00	$ 571.00	$ 880.00	$1,000.00	$1,000.00
2,400.00	514.00	960.00	685.00	1,020.00	1,200.00	1,200.00
3,000.00	642.00	1,140.00	857.00	1,230.00	1,500.00	1,500.00
3,600.00	771.00	1,320.00	1,028.00	1,440.00	1,800.00	1,800.00
4,200.00	771.00	1,410.00	1,028.00	1,560.00	1,800.00	2,010.00
5,000.00	771.00	1,530.00	1,028.00	1,720.00	1,800.00	2,290.00
6,000.00	771.00	1,680.00	1,028.00	1,920.00	1,800.00	2,640.00
7,000.00	771.00	1,830.00	1,028.00	2,120.00	1,800.00	2,990.00
8,000.00	771.00	1,980.00	1,028.00	2,320.00	1,800.00	3,340.00
9,000.00	771.00	2,130.00	1,028.00	2,520.00	1,800.00	3,690.00
10,000.00	771.00	2,280.00	1,028.00	2,720.00	1,800.00	4,040.00

(a) The Virginia Retirement System allowance could be reduced if the contributions of the member were insufficient to provide an employee annuity equal to the state annuity.

(b) Dependent's allowance provided under Social Security may increase the allowance. The lower income group ($3,600 and under) may receive an additional allowance based on excess contributions transferred from the Virginia Retirement System to the Virgimia Supplemental Retirement System. Social Security portion of allowance may be reduced if average annual salary under Social Security is less than final average salary under Virginia Supplemental Retirement System.

age 65 and retiring, a normal service retirement benefit, for each year of credited service, of 1 per cent of the average annual salary in excess of $1,200 during the last five years of credited service. A dissolution allowance based on excess of contributions transferred to the Supplemental System from the Virginia Retirement System would be available for the low salaried member. Upon transferring his accumulated contributions from the Virginia Retirement System to the Supplemental System, the member would be guaranteed that at normal retirement he would receive an allowance, from his social security primary benefit and the Virginia Supplemental System, not less than would have been received if the Virginia Retirement System had not been repealed. The combined benefit would provide an allowance of approximately one-half of the first $3,600 of average annual salary the last five years of credited service after thirty-five years of service. (See Table "B".)

(e) Upon leaving the service after fifteen or more years of service and meeting the service retirement eligibility provisions, a member would receive a deferred retirement benefit.

(f) Disability retirement benefits would be provided to a member qualifying after fifteen years of credited service. The allowance to age 65 would be 1¼ per cent of the average annual salary the last five years of credited service multiplied by the years of service credited. Upon attaining age 65, the allowance would be recomputed, taking into account the Social Security benefit; the member would be guaranteed a total allowance not less than he would have received if the Virginia Retirement System had not been repealed.

The state and other employers would pay the major portion of the cost of the system, providing for all benefits not provided by the employees' contributions. Cost to the state for benefits due to future service under the Supplemental System would be funded by annual payments during the service of employees; the accrued liability for benefits due to service prior to establishment of the Supplemental System would be amortized over a period of twenty years. The cost to the state would, of course, be in addition to the employer's Social Security contributions, but, even so, the present annual cost of the Supplemental System and Social Security would represent a reduction of approximately 30 per cent from the previous annual cost under the Virginia Retirement System. The future cost would depend upon the level of social security contributions.

Following release of the report of the Virginia Advisory Legislative Council on November 29, 1951,

(Continued on page 159)

California has gone far in recent years in developing a modern prison system. The Director of its Department of Corrections tells in this article of conditions that obtained before the modernization began and of subsequent notable reforms and expansion. Difficult problems remain, particularly those created by California's great growth in population, but the advance in the state's correctional program continues.

California Builds a New Prison System

By Richard A. McGee

Director California Department of Corrections

To appreciate California's progress in developing a well rounded prison program, one must be aware of problems which confronted the state when the present correctional system was established.

Prior to 1944, California had an archaic prison system, wholly unsuited to the needs of a great and growing state. There had been no basic change in the administrative set-up since 1879. The system was operated under the direction of a lay administrative board—which, without regard to the quality of membership, is an unsatisfactory method of administering a governmental department.

Examination of the state's penal system revealed irreconcilable conflicts of opinion among members of the lay board which led to loss of public confidence. Due to lack of a consistent and uniform policy, the Legislature, likewise, was hesitant in appropriating for necessary improvements.

A political spoils system had developed for the selection, promotion and retention of employees. This interfered with, if it did not prevent, any degree of professionalizing of the service. There was only a haphazard method of selecting personnel, and little attempt at training those appointed.

During the previous fifty years the state's population had increased sevenfold. In spite of this phenomenal growth,[1] there had been no studies aimed at predicting future needs for prisons and no plans for their development.

The notorious "con boss" system, which involved the placing of prisoners in positions of authority and trust within the institutions, held sway in both Folsom and San Quentin prisons. This was the genesis of frequent violent outbreaks and a continuous state of intrigue in institutional management.

Although there was no enforced idleness among prisoners during World War II, no sound plans had been laid to overcome the evil of idleness in the turbulent peacetime years that were sure to follow. Since this was to be a period of the development of an industrial economy in California, as in other states, the prospect of enforced idleness of thousands of able-bodied prisoners represented an incalculable social and economic loss.

The law provided for processing all new prisoners through San Quentin, but adequate provisions were lacking for professional diagnosis and classification of these men. Lip service was given to the philosophy of rehabilitation, but without careful, individualized study of the prisoners. Such programs of rehabilitation as existed were somewhat analogous to the administering of medical prescriptions by drawing them from a hat.

Gestures were made toward education of prisoners, but the need for training them for jobs upon release was not being met in any realistic fashion.

The state administration had changed in January, 1943, and a special committee appointed by the new Governor, Earl Warren, had placed these facts and deficiencies concerning the penal administration before him. As a result he called a special session of the Legislature, and it enacted the Prison Reorganization Act of 1944. The new law, which became effective on May 1, 1944, created the Department of Corrections. It was my privilege to become its first full-time executive head.

Under the law, the former Board of Prison Directors was retained temporarily in an advisory capacity, but it was abolished by legislative action in 1949. The old Board of Prison Terms and

[1] Population of California (from U. S. Bureau of Census)

1950—10,586,223	1920— 3,426,861
1940— 6,907,387	1910— 2,377,549
1930— 5,677,251	1900— 1,485,053

Paroles and the Advisory Pardon Board were abolished, and a new agency, known as the Adult Authority, was created. This agency, now composed of five full-time, qualified members, handles the quasi-judicial functions of the Department of Corrections, relating to the fixing of terms, the granting and supervision of paroles, and the exercise of certain other controls over the classification and treatment of male prison inmates. The Board of Trustees of the California Institution for Women was retained to perform similar functions with regard to women prisoners.

During the two war years following passage of the Prison Reorganization Act, our primary concerns were the elimination of abuses, the development of a sound and well-rounded staff of specialists for the department, and planning for necessary additional institutions in which to carry out the provisions of the new law.

IMPROVEMENT of management and personnel operations was a first necessity. During the past few years we have been able to accomplish many specific improvements under that heading, some of which may be summarized as follows:

1. The spoils system of recruitment and promotion was eliminated by placing the personnel both of the institutions and the central office under the state civil service system.

2. A realistic, thorough, continuous training program for institution employees has been established. There is an in-service training officer at each institution, under the general supervision of a departmental training officer who, in addition to supervising, prepares training manuals, course outlines and instructional aids.

3. Institution staffs have been reorganized and departmentalized in line with modern concepts. In each institution it is now possible for an employee to advance through the ranks, following an orderly method of promotion, to the top position. The time is past when it can be necessary to seek desperately for some qualified person to fill an unexpected vacancy in the higher ranks of the prison organization.

4. A statistical accounting system has been developed, in the Bureau of Criminal Statistics of the Department of Justice, covering all prisoners in the custody of the Department of Corrections. The bureau prepares periodic reports for our department, accounting for the movement of prisoners, the total number in institutions, the number on parole and the characteristics of the individual prisoners. Data on more than 20,000 prisoners have been collected, classified and analyzed.

5. A scientific and humanitarian classification system for the study, analysis and treatment of prisoners has been developed. Two facilities known as Reception-Guidance Centers have been established. One is in Northern California, at San Quentin prison, the other on the grounds of the California Institution for Men, near Chino. The latter was completed and opened in December, 1951. Adult male felons, committed by the Superior Courts to the custody of the Director of Corrections, are received at these two Reception-Guidance Centers, where they undergo a sixty-day study by a staff of specialists. Upon completion of the study, recommendations are made to the Adult Authority for assignment of each inmate to one of the six institutions for males. Upon approval by the Adult Authority, a man is transferred from the Reception-Guidance Center to the institution designated. Each institution is charged with the responsibility of carrying out the program recommended for each inmate and for keeping a cumulative case record on every case for the information of the prison officials and the Adult Authority.

6. The old time-credit system, which permitted such abuses as early releases to privileged prisoners, and which was so complex that only a few people understood it, has been abolished by law.

7. The "con boss" system was completely eliminated by placing all confidential work and all exercise of authority in the hands of responsible state employees.

8. The pardon system has been revised to provide an orderly procedure under which men who have demonstrated their rehabilitation by law-abiding lives after discharge from parole may make application through the courts for a certificate of rehabilitation, which is submitted to the Governor as a recommendation for pardon. This makes it possible for any person wishing to have his civil and political rights restored to do so without employing legal counsel or attempting to employ political pressures to gain his end.

9. There has been great improvement in supervisory controls over the feeding of prisoners. Food had been the source of numerous scandals and morale problems in the past. A new system, based on sound and scientific principles, was developed. A departmental Food Administrator was added to the central office staff to provide professional supervision over the institutional culinary operations. Impartial examination of this program shows that it is administered by technically trained, thoroughly competent personnel.

10. Medical care of prisoners, particularly of those suffering from various kinds of mental disorders, has represented a difficult problem ever since the need for it has been recognized. In spite of the shortage of physicians, especially of psychiatrists, considerable progress has been made in estab-

lishing uniform policies of treatment throughout the department. This function is under the supervision of an experienced and competent penal psychiatrist. Another long stride in the Department's development plan has been made by activation of the California Medical Facility, which was established in leased quarters at Terminal Island, San Pedro, in May, 1950. More details on it will appear later in this paper.

11. Educational programs now are offered at all seven institutions of the Department of Corrections. Education, especially vocational education, is one of the foremost positive factors in preparing men for return to society. During 1951 more than 5,000 inmates were registered in one or more courses each. Up to 1951 the major portion of enrollments were in academic courses. Since then the vocational courses have been improved and made more attractive to inmates, and registration in job-training classes has increased fivefold. They are administered as part of the adult education program of the State Department of Education. Accomplishment in them is recognized by labor unions and employers on the same basis as comparable work in the public schools. Through assistance by local high school districts and junior colleges, plus the services of teachers employed directly by the Department of Corrections, instruction is offered in more than forty subjects at the seven institutions. During the 1951 school year, 175 inmates gained elementary school diplomas, and seventy-four men received diplomas for high school graduation. Trade advisory committees, consisting of employers and labor leaders, have been of great assistance in developing the program. Upon their release inmates trained under competent instructors are finding ready employment in skilled and semi-skilled fields of industry.

12. We accept the principle that prisoners should be engaged during their waking hours in constructive and useful activities. We also accept the thesis that prison labor should not interfere unduly with private enterprise. In order to provide a reasonable approach to a work program, within the framework of these two somewhat conflicting objectives, the Legislature established a Correctional Industries Commission. The Governor appoints representatives from organized labor, industry, agriculture and the general public to this commission. The Director of Corrections serves as chairman. It is the commission's duty to find and authorize constructive work projects for prison inmates.

Several such projects have been developed at the various institutions. They include such operations as an automobile license plate factory, where all plates and tabs for automotive use in California are made; a sewing project at the women's institution, where inmates make clothing for their own use and for sale to other state agencies; a metal fabrication industry which produces chairs and tables; and a furniture refinishing project in which desks and tables are repaired. Two new projects were authorized recently; one is the manufacture of hard-to-get items for public schools, such as building blocks, easels, etc., for elementary grade classrooms; the other an additional clothing factory. Establishment of a cotton textile mill is proposed for weaving cloth to be made into items used in state institutions.

The products of the Correctional Industries manufacturing operations at the prisons can only be sold to and used by institutions within the Department of Corrections or other tax-supported public agencies, such as schools and mental hospitals. In most instances there is no direct competition with private industry.

Operation of farms at five of the institutions is another part of the work program. This includes raising of vegetables and field crops, dairies, stock farms supplying pork and beef, and orchards which provide fruits for canning. Surplus from farm operations at two of our institutions is sold to other institutions within the department or to other state agencies.

To encourage normal work habits on the part of inmates preparing for parole, the Legislature in 1946 authorized a small wage for prisoners engaged in productive enterprises.

At the close of the last fiscal period, 1950–1951, forty-six industrial and agricultural enterprises were in operation, employing 1,926 inmates. They produced goods and services valued at $3,695,000 during the year.

13. Another constructive work project involves a large honor camp program. In conjunction with the State Division of Forestry and the State Division of Highways, three road camps and eight forestry camps are in year-around operation. Approximately 700 men are assigned to these camps. The appropriate cooperating agency supervises the work; custody and control of the inmates is the responsibility of correctional personnel.

Besides the permanent camps, the department, in conjunction with the United States Forest Service, operates summer forest camps from April or May until October. This year we have nine of these, with approximately 400 inmates assigned to them.

The department places more than 1,000 inmates in the two types of camps each year. The work benefits the state and the community and also the inmates. While a prisoner is out working he pays for his own keep and is able to accumulate some funds to assist in support of his family, if any, and to start him out in community life when he goes on parole. Last year, when California was faced

with a disastrous forest fire season, the work of these inmate crews on the fire lines drew many expressions of gratitude and praise.

DURING the depression years of the '30s and the war years of the early '40s, institution construction in California fell far short of needs. When the new correctional program began functioning, it emphasized the dire necessity of adequate facilities.

On May 1, 1944, the date the Department of Corrections was established, there were 5,711 inmates. As of March 31, 1952, 12,456 were confined in the adult correctional institutions of the state —an increase of 6,745. Pending new construction, the problem of overcrowding has had to be met by placing two or more inmates in a cell or by use of temporary emergency facilities.

In 1944, there were but four correctional institutions for adults. Two of these, San Quentin and Folsom, had been built in the 1800's. Both urgently needed repairs. A new establishment, the California Institution for Men, had been opened at Chino in 1941, but because construction had been halted during the war years it was impossible to develop a full, well-rounded program until the postwar period. The fourth facility was the California Institution for Women, located on an isolated site in the Tehachapi mountains, with a permanent capacity of only 150 women.

In planning expansion, two basic considerations had to be met. One was the housing of increasing numbers of inmates; the other, provision of the proper type of facility for the required custody, care and rehabilitative programs. In brief, we determined upon four general classes of prisoners, each requiring specialized types of institutions.

First, there is the great, miscellaneous group of reasonably normal adult males who can be housed in institutions varying from the type which provides maximum security down to that of minimum restraint.

Second is the relatively small group of adult women felons.

Third, is a youth group.

Fourth, there are the psychiatrically deviated and chronically ill prisoners—principally the tubercular, the mentally ill and the sex offenders—for whom medical or psychiatric care is indicated.

TO MEET requirements for these four groups, we planned for construction of several new institutions and rehabilitation of existing establishments. With the support of Governor Warren, various state legislative sessions provided funds. An extensive construction program has been undertaken.

To summarize accomplishments in providing the proper types of facilities, we can look first at those designed for the miscellaneous group, starting with the maximum security facility, the California State Prison at Folsom.

Folsom houses, primarily, inmates who must be retained in secure custody, including those who are serving long sentences, the recidivists, and those who fail to adjust themselves in other institutions. Two adjustments at Folsom were urgently needed; rehabilitation of the physical plant, much of which dated back to 1880, and reduction of the inmate population. Removal of old cell buildings and replacement with more modern facilities are progressing at Folsom as funds are made available. Nearly 2,800 inmates were crowded into this institution until the early part of 1951. Through the opening of the new prison at Soledad and the reclassification and transfer of some of the inmates confined at Folsom, the population now has been reduced to about 2,000.

California State Prison at San Quentin, the oldest and largest of California's penal institutions, is an industrial-type prison primarily intended for younger inmates of close-security classification. Due to lack of capacity in other institutions, it has been obliged to retain inmates of other classifications. With a permanent "capacity" of 2,700, it had a population of over 5,000 in past years. The opening of the Medical Facility in temporary quarters and the completion of Soledad prison offered some relief, and the population of San Quentin, at the end of March, 1952, had been reduced to 4,589—still 70 per cent overcrowded.

Besides providing for its regular population, San Quentin is the location of one of the Department's Reception-Guidance Centers. All prisoners condemned to death also are held there, as it contains the state's lethal gas chamber.

Next in our security scale is the California State Prison at Soledad—a medium-custody, agricultural-industrial institution, located on 936 acres in the Salinas Valley, Monterey county. It was opened in 1946. The inmates and staff were housed in Butler-type steel buildings and other structures of war-surplus materials. Originally these quarters were planned only to house 350 inmates temporarily, but, due to increasing crowding at Folsom and San Quentin, double bunking was inaugurated and facilities were provided for 700. The permanent main buildings, which had been under construction for two years, were opened in December, 1951. For the first time in California a modern penal institution had been planned, designed and constructed in its entirety. The new prison, to house 1,500 inmates (1,900 including the barracks area)

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Interstate Enforcement of the Tax Laws of Sister States*

Good government demands a solution to the problems of a state attempting to collect revenue beyond its borders—and cooperation among the states should help to effect a more equitable distribution of the tax burden.

By Nathaniel L. Goldstein

Attorney General, State of New York

The ever-mounting cost of government during the past decade makes the quest for potential revenue an apparently endless one. The assortment of present-day taxes gives added weight to the maxim that the tax burden is equitable only when it is fairly distributed. It is, therefore, somewhat paradoxical to find that the courts of one state will not enforce the revenue acts of a sister state. Such passivity would seem to give legal sanction to what otherwise would be tax evasion.

The ease with which state borders may be crossed, the increase in the amount of interstate commerce and the mobility of personalty offer a wide area for repudiation of legitimately assessed taxes. The problem may arise in various ways.[1] A review of the rule, its history, possible justification and attempts to remedy the situation may be of interest.

The Rule in England

The genesis of the rule is founded in dicta, since none of the early cases cited as authority in any way involved a suit to collect taxes but rather were actions brought to enforce contracts in which the defense was that they were made in violation of the revenue laws of another country. Commercial rivalry and jealousy were the marks of the time.

It was Lord Mansfield who first gave force to the rule. His decision in *Holman v. Johnson*, which was to become a leading case, was handed down in 1775. The plaintiff therein, a resident of Dunkirk, sold and delivered to the defendant a quantity of tea knowing that it was to be smuggled into England but having no concern with the smuggling itself. In an action for the price the plaintiff was permitted recovery on the ground that since the contract and delivery were made abroad no law of England had been transgressed. Then, as pure dictum, followed the words: "For no country ever takes notice of the revenue laws of another."

It is a matter of common knowledge that a statement often repeated is seldom questioned but rather gains ready belief. Four years later Lord Mansfield rendered the decision in *Planche v. Fletcher,* in which he reiterated his previous dictum.

Succeeding cases followed a similar pattern. The apprehension of the judges was that to take notice of the foreign revenue laws would have hampered international trade. This condonation of "foreign contraband" contracts nevertheless raised considerable comment. Some writers, such as Emerigon, defended the practice on the "unsatisfactory ground" that smuggling is a vice common to all nations, while others, such as Pothier, argued strongly its inconsistency with good faith and the moral duties of nations.

Then having established by dicta the rule that one nation will not notice the revenue laws of another the doctrine was extended. In 1909 in *Municipal Council of Sydney v. Bull,* seemingly for the first time a case arose in which there was in issue the actual collection of a tax in a jurisdiction different from that where the assessment was made. It appeared that an act of the New South Wales Legislature, authorized the City of Sydney to carry out certain street improvements and provided for an assessment on the owners of the property within the improved area. It further provided that the assessments should be recoverable by action in addition to being recoverable by distress. Being unable to recover by means of distress the amount of the contribution due from one owner, the council brought suit in England against an indemnifier. Grantham J. held that the action would not lie on the grounds that (1) the action was one relating to real property abroad and (2) that the liability being imposed by the foreign state solely for its own domestic purposes, the attempt to enforce it was analogous to an action to recover a penalty or a tax. "In such cases," said the court, "it has always been held that an action will not lie outside the confines of the last-mentioned State." No cases were cited in support of this assertion.

[1] For example, a corporate franchise tax may be owed by a corporation, all of whose property is located and business conducted in states other than that in which it is incorporated. Income taxes may be evaded by removal of earnings from the state in which they accrued or in which the earner was domiciled before the taxing authority had any opportunity to attach them.

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If the vigor of the holding in the preceding case was tempered by the fact that it was a "mixed" action relating to land situated abroad, the principle received direct affirmation in 1928. In *Re Visser, Queen of Holland v. Drukker* an action was brought in England for inheritance taxes due the Kingdom of Holland from a domiciliary of that country who died in England. The claim was dismissed. Tomlin J. feeling bound to follow *Municipal Council of Sydney v. Bull*. "My own opinion," he said, "is that there is a well recognized rule, which has been enforced for at least 200 years or thereabouts, under which these Courts will not collect the taxes of foreign states for the benefit of the sovereigns of those foreign states. . . ." That same year an attempt was made to change the rule by statute, at least to an extent that would permit tax judgments from any of the dominions to be enforced in England. This bill apparently failed to pass both Houses of Parliament.

The English viewpoint is summed up by Dicey, who justifies the refusal of the English courts to enforce the revenue laws of foreign states on the ground of public policy, that is, that foreign revenue legislation might be injurious to British interests, or could be aimed at political refugees, or could become a source of political embarrassment between two sovereignties.

The Rule in the United States

Actions Not Based on Judgments —Majority Viewpoint

A claim for taxes arising in one state and not reduced there to judgment is not enforcible by an action in the courts of another.

The development of the rule in the United States followed a design very similar to that in England. Again, the early cases, which gave lip service to the maxim that the courts of one country will not enforce the revenue laws of another, were not suits to collect taxes. The issue was not presented until 1911 when the State of Maryland attempted unsuccessfully in a New York court to collect a tax assessed against a former resident of Maryland.

The leading case in this country is *State of Colorado v. Harbeck*. In that case the testator, domiciled in Colorado, left home with the intention of going abroad but while en route died in New York. His will was probated in New York, a transfer tax was paid in New York, and the estate, consisting entirely of personalty, was distributed to the legatees, none of whom were residents of Colorado. The latter state instituted proceedings in its courts to assess a transfer tax under its laws. Notice was given to all the defendants by mail, as required by Colorado statutes. None of the defendants appeared. Thereafter, the State of Colorado brought a suit in New York to collect the tax. The Appellate Division had granted a judgment in the amount of $100,000 but this award was reversed by the Courts of Appeals, Pound J. stating that to attempt to give statutory provision extra-territorial effect "would conflict with another well settled principle of private international law which precludes one state from acting as a collector of taxes for a sister state and from enforcing its penal or revenue laws as such." The exact grounds of the decision, however, are not clear. Judge Crane concurred in the result on the ground that he could find no authority in the Inheritance Tax Law of the State of Colorado for the action. The conclusion could have been predicated upon any of the following grounds: (1) Since decedent left no property in Colorado and the defendants were non-residents who were not personally served in Colorado in the proceedings, the assessment violated due process, (2) the statutory method provided by Colorado to collect the tax was exclusive, (3) the statute did not authorize a suit outside Colorado to recover the tax, (4) one state will not act as the tax collector of another state.

The courts of New York henceforth followed the rule. Pennsylvania, Ohio and Delaware likewise conformed. Cases of tax claims filed with receivers are not here considered since the problem would seem to be somewhat different and such claims have generally received a more favorable reception so far as the decided cases reveal.

The position of the federal courts is somewhat doubtful. *Moore v. Mitchell*, a suit commenced by the treasurer of Grant County, Indiana, to recover taxes which arose while decedent was a resident there, was brought against his executors in federal court in New York State. Decedent had died before the tax was assessed and the property was not physically in Indiana. The action was dismissed on the ground that the court lacked jurisdiction under the due process clause since neither property nor deceased was within its jurisdiction but at the same time the court mentioned the rule at least in dictum. The importance of this decision lies in the fact that Judge Learned Hand concurred but then proceeded to assume the validity of the assessment and to give the reasons why one state should not enforce the revenue laws of another. The United States Supreme Court affirmed the decision of the lower court but solely on the ground that a state tax officer, claiming only by virtue of his office and authorized only by the laws of his state, has no legal capacity to sue in a federal court in another state. The Court felt that such an officer has no better standing to bring suits in courts outside *his* state than have executors, administrators or chancery receivers.

In 1942 the State of California brought an action

in a federal court in Nevada for the recovery of income taxes. The defendant while a resident of California was a winner in the Irish Sweepstakes and collected his prize after moving to Nevada. Recovery was denied on the ground that there was no basis for federal jurisdiction. The court stated that a state suing to collect taxes from a citizen of another state is not a "citizen" of itself or of any other state, and hence is not entitled to invoke jurisdiction of federal courts on the ground of diversity of citizenship.

It would thus appear that the federal courts will decline jurisdiction.

Actions Not Based on Judgments —Minority Viewpoint

The minority view is presented in two cases of recent origin. In *State ex rel. Oklahoma Tax Commission v. Rodgers* an action was brought in Missouri to collect taxes due the State of Oklahoma. It appeared that a statute of Oklahoma provided for reciprocity in the enforcement of tax liabilities, whereas Missouri has a general comity statute which makes no reference to tax claims. Anderson J., however, placed no stress upon these statutes but reviewed the rule in its entirety and decided that the simplest ideas of comity would compel a state to entertain such an action. Four years later Kentucky followed the example set by Missouri and permitted the Attorney General of Ohio to bring an action against a Kentucky resident to collect premiums due under the Ohio Workmen's Compensation Law. The court held that whether the compensation premiums had the status of taxes or were merely debts was immaterial. On petition for rehearing, a Kentucky statute of 1938 was brought to the court's attention for the first time. No such statute of Ohio was shown but the court said: "There is nothing in the record to show that Ohio has refused to recognize or enforce the tax laws of this State."

Actions Based on Judgments

A claim for taxes arising in one state and there reduced to judgment is enforcible by an action at law in the courts of another. (The position of the United States Supreme Court.)

As a corollary to the rule that one state will not recognize the revenue laws of another the assumption was reached that foreign judgments based on the tax claims of another state would not be enforced. This belief owes its origin to *Wisconsin v. Pelican Insurance Company*. There the United States Supreme Court, on original jurisdiction, refused to enforce a judgment rendered in the courts of Wisconsin against a foreign insurance company which had been doing business in that state. The grounds for the judgment were that the company failed to comply with a statute which required the filing of an annual report and also provided for a fine on failure to do so. The Court stated that:

"The rule that the courts of no country execute the penal laws of another applies not only to prosecutions and sentences for crimes and misdemeanors, but to all suits in favor of the State for the recovery of pecuniary penalties for any violation of statutes for the protection of its revenue, or other municipal laws, and to all judgments for such penalties."

The Restatement thus formulated the proposition: "Judgment on Governmental Claim. A valid foreign judgment for the payment of money, which has been obtained in favor of a state, a state agency, or a private person, on a cause of action created by the law of the foreign state as a method of furthering its own governmental interests will not be enforced."

In 1934 the highest court in New Jersey granted recovery on a New York State judgment based on a claim for franchise taxes. The next year the United States Supreme Court held that a judgment for taxes which is entered after proper proceedings is entitled to full faith and credit under the Constitution. The Court further stated that "Whether one state must enforce the revenue laws of another remains an open question in this court." This was a Pyrrhic victory for tax collection agencies since seldom would a state be able to obtain a judgment in its own court before bringing suit in a foreign jurisdiction.

Inferences drawn from dicta in *Milwaukee v. White* and *Massachusetts v. Missouri* may suggest that the Supreme Court would look favorably upon the interstate enforcement of tax claims even though not based on judgments. Yet in the latter case the Court refused jurisdiction on the "burden" theory. A comment by Mr. Justice Jackson, in 1945, may be significant:

"How far a state may call upon other states to aid it in extraterritorial pursuit of revenue, I do not know. New York State courts and the federal courts sitting therein have refused to reduce the tax law of other states to judgment, and the reasons have been set forth in able opinions by Judge Pound, Learned Hand and Knox. But the Supreme Court has since held that, if the state reduces its claims to judgment, all states must afford it full faith and credit. And if, as has been indicated, administrative determinations are entitled to the same standing as judgments, the way is open for each state to project its revenue acts into all other states to some considerable degree."

The full faith and credit clause of the Constitution provides that Congress may by general laws prescribe the manner in which the acts, records and judicial proceedings of the states shall be proved

and the effect thereof. The implementing statute was amended in 1948 by adding the words "Such Acts" at the beginning of the last sentence which previously read: "And the said records and judicial proceedings . . . shall have such full faith and credit given to them in every court within the United States as they have by law or usage in the courts of the State from which they are taken." It has been suggested (but not too emphatically) that this may be a change of considerable importance on the question of extending the compulsion of full faith and credit to tax claims.

Reasons for the Rule: Justification and Criticism

For well over twenty years the rule has received harsh criticism in law review articles and comments. The very number of comments is surprising in view of the fact that there are so few adjudicated cases on the point. In *Re Visser, Queen of Holland v. Drukker,* above, Justice Tomlin observed that while the absence of authority for what on the one side has been called an elementary proposition could indicate that the proposition was not well founded in principle, it might merely indicate that it was so well recognized that it had never been put to the test. One writer, however, has asserted that the question has arisen in the appellate courts of this country only about fifteen times.

It was left to the ever-analytical Judge Learned Hand to state reasons in justification of the rule. He postulated that: (1) revenue laws fall within the same category as penal laws (even though the origin of the exception in the case of penal liabilities does not appear in the books), (2) enforcing the tax laws of another state might contravene the public policy of the state of the forum, (3) the domestic state might seriously embarrass its neighbor, (4) to pass upon the provisions for the public order of another state should be beyond the powers of a court. *City of Detroit v. Proctor* added two additional arguments: (1) if the forum allows another state to enforce its tax laws there, it would open the courts to suits in the forum by foreign countries ("Michigan's sovereignty is as foreign to Delaware as Russia's") and (2) in the light of overwhelming authority the problem is one for the legislature.

The United States Supreme Court has declared that the obligation to pay taxes is not penal. Commentators and the two courts representing the minority view found none of the above reasons compelling. Since to a great degree state taxes are more or less standardized, they could not see that there would be any offense against the public policy of the forum. Any impropriety or embarrassment in the court's passing on the statute of another state would be waived by the other sovereign in bringing the suit. Tax reciprocity as between countries would probably be taken care of by means of treaties. The international problem of mutual assistance and exchange of information is receiving considerable attention.

It has also been argued that extrastate enforcement of tax claims would place too heavy a burden on the dockets of the forum. The majority of the law review commentators do not believe that such cases would be sufficiently numerous or so intricate as to clog the courts. Leflar, however, believes that there is an element of truth with respect to New York State since the majority of the cases have arisen in that state. This view has been repeated in a few other law reviews. One source for this belief may very well have been a statement in 65 A. L. R. 1361 (1930) that the only cases directly in point upon the question under consideration in the annotation arose either in the courts of the State of New York, or in federal courts within that state, but only four cases from New York were cited therein. The fact that New York State is the depository of much of the intangible personal property is not necessarily indicative that its courts would be more overburdened than the courts of other states or that New York would not suffer the greater loss of revenue when such property is removed to evade its own taxes.

Various solutions have been suggested. It has been said that the opposite result could easily be reached by applying ordinary conflict of law principles. The Restatement of the Law, Conflict of Laws, has changed its stand. Under comment C of Section 610, it formerly ruled that "no action can be maintained by a foreign state to enforce its license or revenue laws, or claims for taxes." In the 1948 Supplement, comment C is deleted, and a caveat is added to the effect that the American Law Institute "expresses no opinion as to whether an action can be maintained by a foreign state on a claim for taxes." It is further stated that if a position had to be taken, it would be desirable to state a view contrary to the former comment C, and in accord with *Oklahoma Tax Commission v. Rodgers,* 283 Mo. App. 1115, 193 S. W. (2d) 919 (1946). Yet as recently as December, 1950, a New York court has followed the precedent of *State of Colorado v. Harbeck.*

The following have also been proposed: (1) a state statute giving personal jurisdiction similar to the nonresident motorist statutes, (2) delegation of the problem to the Commission on Uniform Laws for the purpose of preparing a uniform code and (3) provision by Congress for extraterritorial service of process in order always to have the trial at the place of the event.

These suggestions, whatever their respective merits, may well fall on barren ground. In the last

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Agriculturally and industrially, reports Mr. Barksdale in this article, Mississippi is in the best condition of its history. He attributes much of its economic advance of the last few years to the state's "Balance Agriculture with Industry" program, the nature and some of the outstanding results of which he describes in these pages.

Mississippi's "BAWI" Program

By W. E. Barksdale

Executive Director, Mississippi Agricultural and Industrial Board

Mississippi's widely accepted "Balance Agriculture with Industry" program has passed, after more than a decade, from the experimental stage into a time-tested formula for helping cure the state's economic ills.

Today BAWI is paying off in employment and pay rolls and in markets for the state's abundant natural resources.

A summary of Mississippi's eleven-year experiment with BAWI shows that a total of seventy plants have been located under the act since it went into effect. These plants employ 15,725 people and are providing the state with $32,758,000 annually in additional pay rolls.

Hundreds of other industries have located in Mississippi in recent years without aid of the BAWI law, as evidenced by the fact that manufacturing employment reached 94,000 persons in 1951 compared with 46,355 in 1939.

The value of manufactured products, based on the 1951 dollar, reached a record of $961 million last year, compared with $175 million from the same source in 1939—a 455 per cent increase.

Bank deposits have jumped 57 per cent since 1943; retail sales have skyrocketed to $1,174,000,000 since 1939, a 315 per cent increase; wholesale trade, at $1,023,000,000, is up 318 per cent for this period; service trades are up 227 per cent to $167,000,000; utility sales have increased by 307 per cent to $240,000,000; and today 2,530,000,000 kilowatt hours of electric power are being generated in the state, an increase of 3,676 per cent over 1939.

Similar progress has been made in the field of agriculture, recent figures for which reflect not only higher prices but the increased markets created by incoming industries. The state's cash farm income in 1950 was $486,300,000, four-and-one-half times greater than it was in 1940. Sales of livestock and livestock products for 1950 totaled $113,954,000, exceeding the total farm income from all sources for 1940.

For example, Mississippi planted more acreage in corn in 1950 than it did in cotton, despite the fact that the state, second largest cotton producer in the nation, depends largely on that crop for its agricultural income. Mississippi boasts 1,791,000 head of cattle and calves, to lead the nine southeastern states. It has more milk cows than any of these states except Tennessee and Kentucky.

Agriculturally and industrially, Mississippi is in the best shape in her history. A state which a decade ago was considered on the national level as the nation's number one economic problem today is progressing in almost every field.

The revolution which brought these and other significant developments about actually began back in 1931 in the small South Mississippi town of Columbia.

Deprived of the pay rolls of several sawmills which closed that year, Columbia was about ready to fold up. Lumberman Hugh L. White, who later became Governor and who is the chief executive today, and a group of local businessmen decided that there was little wrong with Mississippi that pay rolls couldn't cure.

They got together, subscribed funds to build a plant for a garment concern and secured the new industry on the strength of the plant building. Their plan paid off well for Columbia, and it is still paying off for Mississippi.

In 1936 Mississippi adopted Governor White's unique plan, on which he had run successfully for Governor. The first BAWI (Balance Agriculture with Industry) law was a temporary, four-year act which permitted any Mississippi town or district to construct facilities to house desirable industries, the construction to be financed through public bond issues. This legislation, in effect from 1936 to 1940, encouraged fourteen industries to locate in the state. Five years later these industries were accounting for 14 per cent of all industrially employed persons in Mississippi, and their pay rolls amounted to 24 per cent of the total industrial pay rolls of Mississippi.

The first BAWI Act expired in 1940, but by 1944 its effects were being felt so strongly that the need

for another, similar law was obvious. The second BAWI law was passed that year, and it provided for administration of the resulting plants by the Mississippi Agricultural and Industrial Board.

This board consists of the Governor, as Chairman; the Lieutenant-Governor, the Speaker of the House, two members each from the House and Senate, the State Geologist, the State Chemist, the Commissioner of Agriculture and Commerce, and fifteen members appointed by the Governor from the state at large who serve without pay.

THE BOARD is charged with the job of carrying out the following goals:

1. Attain a balanced economic development between agriculture and industry in Mississippi.
2. Develop such commercial, industrial, agricultural and manufacturing enterprises in Mississippi as might benefit the people of the state and effect the "Balance Agriculture with Industry" phase of the act, issuing certificates under it.
3. Develop ready and attractive markets for farm products and natural resources.
4. Convert raw materials of farm, mine and forest into finished products for the general welfare of Mississippi.
5. Develop the greatest volume of travel business.
6. Prepare and execute a program of publicity and advertising to call attention to Mississippi's resources and to its industrial, commercial, recreational, educational and social opportunities.
7. Expand and improve the agricultural output of the state and attract those who would take advantage of its unused fertile land for agricultural purposes, including livestock and poultry.
8. Conduct constant research and maintain valuable data so that facts about Mississippi might be used in expanding its economy and the income of its people.

Slowly but surely, Mississippi towns and districts began taking advantage of the BAWI law by voting bonds for plants with which to encourage location of new industries. Garment-type industries were among the first to become interested; then wood-using manufacturers and others of a diversified nature began the southward march.

One of the first of the plants brought into the state under the original act was the Armstrong Tire and Rubber Company of Natchez. Armstrong, a subsidiary of Sears, Roebuck and Company, demonstrates the success of the venture. After several expansions made by the company itself, this firm is still operating successfully. It was the forerunner of others to come. Sears interests established the Mississippi Products Company at Jackson, this time without BAWI aid. It is one of the largest furniture manufacturers in the state, employing about 1,600 workers.

Those who are skeptical of BAWI's far-reaching influence will find evidence of its success in the statements of such men as General Robert E. Wood, Chairman of the Board of Sears.

General Wood some time ago told an audience attending the 25th anniversary of the General Shoe Corporation at Nashville that "Mississippi will show more relative development within the next ten years than any other state in the union."

Louisiana's Governor Kennon recently announced plans to introduce a BAWI proposal to the 1952 regular session of the Louisiana Legislature.

THE ECONOMIC development of Mississippi, agriculturally and industrially, is the prime objective of the board, which operates on the theory that manufacturing pay rolls are the first step in attaining this goal.

By utilizing abundant natural resources and raw materials and by putting idle hands to work in gainful employment, Mississippi is finding the remedy for other ills, most of which have stemmed in the past from her economic troubles.

Industry today is answering the call for better schools, better health measures, improved recreational facilities, broader markets, better roads. This is creating pride in Mississippi on the part of her citizens and an almost 100 per cent acceptance of the program.

Of the 105 BAWI bond elections held throughout the state to date, the ratio of votes in favor of such issues has been twenty-six to one.

BAWI works like this:

Municipalities or political subdivisions desiring industries may apply to the Agricultural and Industrial Board for permission to vote bonds for industrial buildings. However, local governments must first show the board that:

1. There are sufficient natural resources readily and economically available for the operation of the enterprise under consideration for a period of at least ten years.
2. That there is an available labor supply to furnish at least one-and-one-half workers for each operative job anticipated for the enterprise.
3. That there are adequate property values and suitable financial conditions, so that the total bonded indebtedness of the municipality shall not exceed 25 per cent of the total assessed valuation of all property within the municipality.

If these facts can be presented to the board's satisfaction, a certificate of public convenience and necessity for the bond election is granted.

(Continued on page 161)

Action by the Legislatures

FURTHER advances for education, health and welfare, highways, and the organizational structures of state government are among important results of legislative sessions held in the states thus far in 1952.

Legislatures have convened in sixteen states and most of them have adjourned. In the pages that follow *State Government* summarizes a number of outstanding enactments by adjourned sessions on which comprehensive reports were available early in June. The summaries are by no means all-inclusive, but they deal with fields believed to be of general interest among the states.

Inflation, the uncertainty of the international situation and its effects, our rising population and rising demands for needed public services, all presented difficult problems for budget makers and for legislatures in framing appropriation bills. Most total appropriations in states for which over-all figures are at hand provided for moderately increased expenditures. In California and New York each, appropriations substantially exceeded $1 billion for the coming year. Changes in tax rates were not widespread. A few rates moved upward, and there were some new taxes; decreases in certain taxes were voted in some states.

Several legislatures devoted major attention to improving the organization of state government in one or more of its branches. Outstanding enactments included expansion of the Georgia merit system, submission of a constitutional amendment to the people in Kentucky for shortening the state ballot to four officials, establishment of a Department of Audit in Mississippi and a program of court reform in Rhode Island.

A number of states took action to increase teachers' salaries or strengthen their pension systems or aid education in other ways. In the field of public health measures for expanded mental health services stand out, including creation of a Department of Mental Health in Kentucky and a Commission on Mental Health in South Carolina. Some of the states with sessions this year opened public welfare rolls to inspection. At least three legislatures which had not done so previously voted enabling legislation for coverage of state and local employees under Old-Age and Survivors Insurance. Georgia extended welfare benefits to the permanently disabled.

Notable legislation affecting highways included provision for toll roads in Georgia and Virginia, increase of the gasoline tax in Missouri, drivers' financial responsibility laws in Mississippi, Rhode Island and South Carolina, and a stringent program for highway safety in Virginia. Kentucky and Missouri both strengthened their laws to cope with gambling, and in the field of crime control stronger measures against the narcotics traffic received approval in at least seven states: Colorado, Georgia, Kentucky, Mississippi, Missouri, Rhode Island and Virginia.

The summaries follow:

Tax and Fiscal

California's legislature adopted a record-breaking budget of $1,187,505,000 for the 1953 fiscal year, approximately $84 million above that of 1952.

Colorado, which appropriated $34.1 million from the general fund, levied taxes on profits of cooperatives and on profits of building and loan associations for the first time in the state. The legislature authorized a comprehensive reappraisal program as a step toward uniform assessment of property throughout the state. A 20 per cent income tax reduction previously allowed was extended to apply to income of calendar year 1952.

Georgia's legislature approved and submitted to popular referendum, to be held in November, a constitutional amendment which would take the state almost entirely out of the property tax field; it would cut the rate of the tax from five mills to a quarter of a mill. The income tax allowance for dependents was raised from $400 to $500 each.

Kentucky's legislature, enacting the Governor's budget without change, made appropriations of $179.5 million, exclusive of road fund expenditures, to finance state agencies and programs for the next biennium; the road fund is expected to yield approximately $117.2 million in the same period. Both figures represent increases over the preceding biennium. The only tax bill enacted made permanent a temporary increase in income tax rates voted by the 1950 General Assembly, raising the rate on taxable individual incomes of $8,000 or more from 5 to 6 per cent and the corporate rate from 4 to 4½ per cent.

Maryland decreased personal income taxes for 1952 alone. The legislature adopted and submitted to the voters a resolution which, if approved, will amend the constitution to permit a program or performance-type budget. A $23,525,000 bond issue for construction of buildings for various state purposes was approved.

Mississippi adopted record appropriations of $160.7 million for recurring expenditures in the 1952–54 biennium. For both recurring and extraordinary expenditures the legislature authorized a total of $172.9 million, as compared with $153.7 million appropriated two years previously. A new income tax law was enacted which raised rates on several categories of net income but also raised exemptions from $1,000 to $4,000 for single persons and from $2,500 to $6,000 for married persons; the new act applies the income tax to insurance companies in the same manner as to other business enterprises. The state tax on admissions to motion picture theaters was reduced from 10 to 2 per cent. As authorized appropriations exceeded anticipated revenues, the State Bond Commission was authorized to issue notes in an aggregate of $5 million in event of a general fund deficit prior to July 1, 1954.

Missouri's General Assembly, in intermittent session from January 3, 1951, to April 30, 1952, voted biennial appropriations approximating $650 million. It increased the gasoline tax from 2 to 3 cents a gallon, increased motor diesel fuel taxes and authorized St. Louis to levy an earnings tax.

New York adopted appropriations approximating slightly more than $1.1 billion, a record total, for fiscal 1953. The legislature imposed a 15 per cent tax on harness race admissions and increased daily license and state supervision fees on harness race meetings; cities and counties also were authorized to impose a tax, not to exceed 15 per cent of the ticket cost, on admissions to such races. The legislature made penalties for violating the cigaret laws more stringent. It continued for another year the reduction of the unincorporated business tax from 4 to 3 per cent and the reduction of personal income taxation to 90 per cent of the regular rate. A stopgap financial measure for New York City was approved, authorizing taxing powers and the right to fund the current deficit. Investment of state funds in obligations of the International Bank for Reconstruction and Development was authorized.

Rhode Island adopted a general appropriations bill totalling approximately $48.8 million, exclusive of special and deficiency appropriations. The legislature continued for a year additional taxes of 2 per cent on retail sales, 5 per cent on corporate income and 7 per cent on pari-mutuel betting; regular rates on the three taxes are 1 per cent, 4 per cent and 5 per cent respectively. A tax law of last year on cigaret vending machines was repealed. Bond issues totalling more than $14 million for various state purposes received initial approval.

South Carolina adopted appropriations exceeding $140 million for the next fiscal year.

Virginia's appropriations bill for the next two fiscal years approximated $700 million. Items representing increases of from 20 to 30 per cent over the preceding biennium included funds for public schools, institutions of higher education, mental hospitals, public health, tuberculosis sanitoria, public welfare, and penal institutions. The income tax formula was changed to provide that if general fund collections exceed the budget estimate by 5 per cent for a given fiscal year, state income taxpayers will receive the benefit of a 5 per cent reduction in their taxes; if collections exceed estimates by a greater amount, the reduction will be correspondingly greater. Another action provides that, effective January 1, 1954, the existing 50-cents-per-$100 tax on intangible property will not be levied.

Organization, Procedures and Facilities of State Government

Arizona's legislation included adoption of rules of practice and procedure for state agencies, boards, commissions, departments and quasi-judicial bodies.

Georgia expanded the merit system to cover most state employes; the legislation authorized the Governor to issue executive orders, on the request of department heads, to bring state agencies under the merit system. Another measure increased salaries of members of the legislature from $15 to $30 a day for periods when the legislature is in session. The legislature submitted a constitutional amendment to the people, to be voted on next November, which if adopted will give the Governor thirty days instead of the present five after the end of a legislative session to sign or veto bills.

Kentucky's legislature initiated a constitutional amendment, for vote by the people in 1953, which would shorten the state ballot from nine to four officials: Governor, Lieutenant Governor, Attorney General and Auditor. It enacted measures raising salaries of various state, county and city officials. Several acts adopted affect procedures and work of the courts. One of these directed the Court of Appeals to adopt simplified rules of civil practice, patterned so far as possible on rules in the federal courts. Another reduced the work load of the Court of Appeals by raising the value-limit on cases which may go before it on appeal.

The *Mississippi* legislature established a Department of Audit under the jurisdiction of the State Auditor, its staff under the merit system. The department received extensive powers, including pre- and post-audit over fiscal operations of state and local agencies. Another act reorganized the State Game and Fish Commission and brought its fiscal operations under legislative control, thus terminating the commission's autonomous power to spend hunting and fishing revenues without specific legislative authorization. Salaries of state officials were increased, and all state employes received pay raises of 10 per cent. The legislature provided in a package law for bringing state, city and county employes and school teachers under the federal Old-Age and Survivors' Insurance program and for establishing a supplementary state retirement system, the latter to go into effect January 1, 1953.

Missouri's General Assembly referred to the people a constitutional amendment to limit regular legislative sessions to five months and to limit special sessions to sixty days.

New York's legislature continued the temporary state commission on coordination of state activities for another year, with an increased appropriation. It made additional provision for securing review of court cases on appeal to the Court of Appeals. Salaries of this court were increased to $35,000 a year for the Chief Justice and $32,500 a year for Associate Justices. Salaries of judges of the Court of Claims were raised to $17,000 a year. A series of bills generally raised the salaries of employes throughout the state service.

Rhode Island streamlined the non-judicial functions of the Superior and District Courts. It made the presiding justice of the Superior Court the "Administrative Judge" and the key official in the new system. He is to be informed of the progress of all court cases and collect statistics to reflect the work of the court; he has authority to recommend procedures for the courts and to act as liaison with the Supreme Court. A new position of administrative clerk also was set up. The legislature proposed for vote of the people a constitutional amendment guaranteeing tenure and retirement compensation for Supreme and Superior Court justices.

The *Virginia* General Assembly provided that either of its houses may nullify by resolution any administrative rule carrying a criminal penalty for violation except rules of the State Corporation Commission and Industrial Commission and licensing regulations of the Liquor Control Board.

(Other measures affecting state governmental organization and procedure are summarized under some of the headings that follow.)

Education

Arizona ratified the Western Regional Compact for Higher Education.

Colorado adopted a comprehensive school finance bill. It simplifies the complex laws concerning distribution of state funds to school districts and makes the local districts responsible for financing up to a certain minimum extent before they become eligible for state aid.

Georgia established a new Atlanta Board of Education, to comprise one member from each of eight wards and one at large.

Kentucky's appropriations held the line on per capita distribution of state aid for education but provided increases in the common school fund to be distributed on an equalization or "need" basis. The General Assembly established a minimum term of nine months for all schools. As a means toward establishing a future foundation program, it referred to popular approval in 1953 a constitutional amendment that would remove the present requirement that state school funds be distributed on a per capita basis. The legislature enacted a text-book adoption law that will allow school districts, beginning in 1955, to choose books from a multiple list. It also provided that in future text books are to be adopted in open meeting. It repealed a statute of 1936, never invoked, which empowered the Department of Finance to set standards for employment and promotion of personnel in the University of Kentucky. Repeal was based on concern lest at some future time the act be used for political purposes to the detriment of education at the university.

Maryland's General Assembly granted the University of Maryland Board of Regents authority to "exercise . . . all the powers, rights and privileges that go with the responsibility of management. . . ." The "home rule" act authorizes the university to make its own purchases, appoint nonacademic personnel outside the merit system and be free from supervision in the planning and construction of buildings.

Mississippi adopted biennial appropriations totalling $50 million for education, an increase of $10 million over the previous biennium. Most of the increase is for teachers' salaries. The legislature created an interim committee to study the entire educational system of the state and to prepare and recommend a long-range plan for equalizing Negro and white school facilities. It directed the committee to report to a special legislative session, which the Governor may call next autumn.

New York authorized additional state aid for school districts seriously affected by extensive new housing developments. The legislature appropriated more than $3 million to increase pensions of retired school teachers now receiving less than $1,200 a year and reduced from ten years to five the period used in determining average salary on which retirement pensions of teachers is determined—in effect increasing the pensions. It increased the number of state war-service scholarships for veterans by 1,200. Other actions included: continuation of a temporary state commission on school construction needs and appropriation of $100,000 for its expenses; initiation of a licensing system for private correspondence schools; authorization for school districts outside New York City to require teachers and other school personnel to be examined for physical and mental fitness; and creation of a temporary, fifteen-member commission to study and plan for establishing television stations exclusively for educational programs.

Rhode Island's legislature increased pensions for teachers who retired before 1948, set up a joint state-local program for the education of handicapped children and appropriated the state's share of a statewide school survey.

South Carolina's legislature made school employes ineligible to serve on school boards. In another enactment it authorized state-supported colleges to borrow up to $10 million from the federal government for permanent improvements. It submitted to the electorate, for vote in November, a constitutional amendment which would repeal the present requirement that the state maintain a system of free public schools.

Virginia provided that minimum salaries for certified school teachers be raised to $2,000 a year and that salaries be raised $100 a year to a state-guaranteed minimum of $3,000 a year after ten years' service. It required that local school boards which use state school construction funds seek architectural advice from the State Board of Education. The General Assembly also directed the State Board of Education to study and make recommendations concerning execution by local school boards of long-term contracts with teachers. It submitted to the electorate a constitutional amendment that would permit the Assembly to appropriate funds for regional schools maintained in cooperation with another state. Also submitted to the electorate was a constitutional amendment that would enable cities and counties to borrow money for school construction from the Virginia Supplemental Retirement System.

Health and Welfare

Arizona adopted enabling legislation for coverage of state employes under Old-Age and Survivors' Insurance.

Georgia's legislature extended welfare benefits to the permanently disabled. Other acts opened welfare rolls for publication but prohibited commercial or political use of the names, made child abandonment punishable as a felony, and required that the mother of an illegitimate child name the father in order to qualify for welfare assistance.

Kentucky established a new Department of Mental Health, to which it transferred jurisdiction over mental institutions from the Department of Welfare; the legislature provided for expanded treatment of mental defectives, voted increased appropriations for the total mental health program and authorized the Department of Mental Health to pay as high as $12,000 a year to doctors, the maximum allowed by the constitution. The State Board of Health was authorized to inspect and license hospitals and nursing homes. Another act created a Youth Authority in the Department of Welfare, to which delinquent, dependent and neglected children will be committed by the courts; the authority, rather

than the courts, then will determine the type of treatment to meet the needs of individual children. Child welfare services were reorganized and are to work in close conjunction with the Youth Authority. The legislature opened the public assistance roles to legislators, certain county officials and advisory welfare committees; it authorized the state to take a lien on property owned by recipients of public assistance, and adjusted the state assistance laws to conform with changes by the federal government.

Mississippi's appropriations included large allotments for modernization and expansion of hospitals and other institutions and $16 million for old-age assistance, an increase of $5 million. Whether to allot the increase for expanded monthly payments to recipients or to increase the numbers of those receiving assistance was left to administrative determination. The legislature provided for opening the welfare roles and established a program for licensing, inspecting and regulating institutions for the aged and infirm.

Missouri adopted the Uniform Reciprocal Enforcement of Support Act and amended old age and other assistance laws to bring them into conformity with federal regulations. The legislature also extended Old-Age and Survivors' Insurance to eligible state and local employees.

New York established a new state program for clinics to treat alcoholics. The legislature made it the duty of physicians to report promptly to the State Health Department the names of persons under treatment as habitual users of narcotics. It provided that "consistent with requirements of public education and public health," pupils may be excused from health or hygiene studies that conflict with their parents' religion. Non-occupational disability benefits were increased from $26 to $30 a week as a maximum. The legislature continued for another year a special commission set up last year, following conflicts between federal and state agencies concerning grants-in-aid, to study federally-aided welfare programs. The state's reciprocal non-support legislation was amended to make sure that action under it will not subject wives to divorce proceedings and to permit use of the law by public welfare agencies in order to recover payments made to abandoned wives and children. Other enactments authorized welfare officials to release part of the real property of a relief recipient so that it can be sold to reduce a mortgage and required that banks inform welfare officials as to whether persons receiving assistance have or have had funds or other assets on deposit.

Rhode Island required that persons offering services and receiving pay as nurses register with a five-member Board of Nursing Registration. It increased from $500 to $700 the value of property or insurance an aged person may hold without being subject to lien provisions of the old-age assistance act. Another enactment abolished the requirement that birth certificates of adopted persons shall contain a notation indicating adoption.

South Carolina provided for establishment of a Mental Health Commission, revised the mental health laws and authorized a $5 million bond issue for construction of state mental institutions. Additional acts provided for licensing physical therapists and naturopaths.

Virginia liquidated the old state retirement system, provided for coverage of state and local employees under Old-Age and Survivors' Insurance, and established a new Virginia Supplemental Retirement System (see article beginning on page 140, this issue). The General Assembly adopted the Uniform Reciprocal Enforcement of Support Act, required that fathers who acknowledge parenthood must support illegitimate children and opened welfare rolls for public inspection under safeguards that include the stipulation that those who inspect the rolls must give their names and addresses and prohibit political or commercial use of the names on the rolls.

Highways, Traffic Control, Truck Regulation

California's legislature in its budget session appropriated $100,000 for a joint fact-finding committee on the state highway system.

Colorado enacted three bills covering the Governor's request for a long-range highway program, including reorganization of the State Highway Commission.

Georgia's General Assembly voted to establish a Turnpike Authority to build a toll road between Cartersville and the Tennessee line near Chattanooga, which will provide the necessary link of a modern, improved highway connecting Atlanta and Chattanooga. The authority is authorized to issue self-liquidating revenue certificates to build and maintain the toll road, which will be 70 miles long.

Maryland increased the minimum salary for state policemen from $1,900 to $2,250 a year.

Mississippi adopted a driver's financial responsibility law for the first time. It requires drivers to show either cash or insurance to cover liabilities resulting from an accident. Penalty is forfeiture of driver's license and automobile registration. The legislature expanded the farm-to-market program and eliminated a 1950 statutory requirement that counties pay 10 per cent of the cost of farm-to-market roads. Approximately $870,000 of gasoline tax revenues formerly granted to the largest counties was divided equally among all counties of the state.

Missouri authorized a ten-year, $557 million highway program, enacted a more stringent driver's license law, raised the gasoline tax from 2 to 3 cents a gallon and increased motor diesel fuel taxes.

New York authorized the Motor Vehicle Commissioner to require information pertaining to liability insurance carried when car owners apply for license plates; this was considered an exploratory step toward possible compulsory liability insurance. Meantime, the legislature doubled the liability insurance now required of car owners under 21 years of age; the same provision applies to owners in families when one of its members, under 21, drives the car. The legislature required licensing of driving school instructors and increased the liability that must be carried on motor buses, to a maximum of $100,000 on large buses. In another enactment it provided that when a non-resident fails to furnish proof of financial responsibility after an automobile accident, notice of suspension of his right to drive in New York shall be sent to his home state; and that a New York driver may

lose his New York driving privileges on the basis of unsatisfied violation in another state if this is reported to the New York Motor Vehicle Commissioner. Heavy trucks, over five tons, were required to keep out of city streets and localities were authorized to establish truck routes. The State Thruway Authority received authorization to prohibit, regulate and restrict billboard advertising along the new thruway.

Rhode Island adopted a motor vehicle financial responsibility law requiring that every motorist causing personal injury or property damage exceeding $100 shall furnish surety or insurance, under penalty of losing his license and registration. The General Assembly also clarified its amendments of 1950 to the Uniform Vehicle Code.

South Carolina adopted a law making liability insurance almost mandatory for car owners or operators. Failure to carry it or to provide other evidence of financial responsibility may lead to suspension of driver's license or vehicle registration or both if the owner or operator is involved in an accident in which damages exceed $50.

Virginia's General Assembly authorized the State Highway Commission to issue tax-free revenue bonds for acquisition of funds to construct and operate toll roads. It set speed limits for passenger cars and buses at 55 miles per hour and for trucks at 45; provided for mandatory 40-day suspension of license on second conviction for speeding within a year and permitted 10-day jail sentence for an offender who drives after his license has been suspended; provided for automatic license reexamination of drivers involved in two accidents or two moving traffic offenses within a year; and established a method under which license revocation is possible in cases of chronic traffic offenders who escape serious penalties in the courts.

Civil Defense

California adopted legislation to permit expenditure of funds for certain categories of civil defense activities as appropriated for in 1951; the earlier act was subject to limitations that prevented acceptance of the benefits of available federal grants.

Maryland reduced the Civil Defense Agency's budget by $17,000 to $107,800. It prohibited actions against any person who voluntarily permits the civil defense authorities to use his premises for sheltering persons.

Mississippi enacted two major civil defense measures—a basic civil defense enabling act for the state and its local jurisdictions and an interstate civil defense compact previously adopted by many states in the 1951 sessions.

Missouri's legislature created a State Division of Civil Defense.

New York reappropriated $25 million to pay the state's share of local bomb shelter costs—the spending dependent on matching federal grants that have not yet been made available. It authorized localities to issue bonds or notes for civil defense; authorized state acceptance of services, materials and money for civil defense and making them available to the localities; authorized towns and villages to provide workmen's compensation for volunteer civil defense workers; and adopted model legislation, suggested by the Drafting Committee of the Council of State Governments, to relieve building owners from liability for injuries to persons using shelters for civil defense purposes or civil defense exercises.

Rhode Island also adopted the model legislation to protect property owners from damage suits resulting from occupancy of their properties for civil defense purposes or exercises, and the legislature extended workmen's compensation benefits to civil defense workers injured in line of duty.

South Carolina's General Assembly adopted an act permitting the state to enter civil defense pacts with other states.

Conservation and Development of Natural Resources

Arizona created an underground water commission. It also established a committee to study the underground water situation and recommend a comprehensive groundwater code.

California appropriated $10 million for use in connection with state acquisition of the Central Valley Project. The appropriation is to be used to conduct surveys and studies preliminary to the acquisition and to pay initial installments on any agreement between the United States government and the state for the purchase. The fund will be available for spending until 1955.

Mississippi adopted a major proposal of the Governor to stimulate agricultural diversification by adoption of a livestock and poultry production act. The law creates a $2 million revolving fund to guarantee long-term loans up to $15,000 to farmers. To qualify farmers must submit a plan for approval of the county agents, setting out what they wish to do and how they plan to do it. If the county agent approves, the farmer applies for a loan to a private lending institution for a period up to five years, and the revolving fund guarantees repayment of the loan. In return the revolving fund receives part of the interest payment. The legislature also established a state seed-certifying agency to assist in propagating improved seed stocks.

New York's legislature provided for collaboration with New Jersey and Connecticut to establish uniform regulations regarding fishing in lakes that adjoin the state boundaries, authorized the Governor to execute the Incodel Water Project Compact and adopted a uniform lobster bill recommended by the Atlantic States Marine Fisheries Compact Commission, increasing minimum required sizes of lobsters taken and sold.

Rhode Island made a series of reorganizations in the conservation field, including the setting up of a revised Division of Forestry and a new Division of Parks and Recreation. The legislature authorized the Governor to name an advisory council to the Chief State Forester. Other enactments increased the state's appropriation to the Northeastern Interstate Forest Fire Compact Commission, gave the State Forester power of arrest for illegally setting fires in the woods, authorized the state to

reimburse cities and towns for a third of the cost of fighting Dutch Elm disease, appropriated the first annual amount in a five-year program to eliminate Bang's disease in cattle, and provided fines up to $50 for taking or marketing soft-shell clams less than 1.5 inches long—a measure to assist in repopulating this clambake delicacy.

South Carolina created a State Wildlife Commission with exclusive authority to regulate hunting and fishing seasons and licenses.

Elections

Kentucky enacted a series of bills on registration and purgation of voters, designed to clear the rolls of many who have died or moved to new precincts. The legislature redistricted the state to reflect reduction of Kentucky's Congressional delegation from nine to eight members as a result of the 1950 census.

Maryland provided that future primaries in presidential years will be held on the first Monday of May and in non-presidential years on the fourth Monday of June. The legislature provided that radio and television stations may not be sued for libel because of statements made through their facilities by candidates during a political campaign.

Mississippi's legislature empowered the state Democratic party to nominate its own candidates for President and Vice-President of the United States irrespective of national party action. Other acts redistricted the state to reflect a decrease from seven to six Congressmen, barred the candidacy of subversives from state, district and county offices, and amended the poll tax law to waive the requirement of payment by members of the armed forces.

Missouri redistricted the state to reflect a reduction of the Congessional delegation from thirteen to eleven members.

New York authorized the Secretary of State to extend voting hours to 9 p.m. if registered voters exceed nine million, simplified the method by which voters may prove their literacy, made it a misdemeanor to pay a voter to induce him to sign an independent nominating petition, revised and continued the soldier-sailor voting law and adopted perfecting amendments to a Congressional redistricting law enacted at a special session last winter.

Rhode Island eliminated from the election law an old provision requiring a referendum every four years as to whether the direct primary shall be retained. The legislature restored a stiff fine and possible imprisonment for tampering with sample voting machine ballots.

South Carolina reapportioned Congressional membership according to the 1950 census and barred damage suits against radio stations on grounds of political speeches which federal regulations prevent the stations from censoring.

Virginia's General Assembly required that presidential candidates in the state must file for election fifty days before election instead of thirty as previously—a change that will permit more time for absentee voting by servicemen; provided that names of candidates for President and Vice-President be printed on ballots other than those used for candidates to other offices, and established a run-off primary for candidates for Governor, Lieutenant Governor, Attorney General and United States Senator.

Crime Control

California made all sex offenses punishable by indeterminate detention in a penitentiary and prescribed new court procedures in passing upon sex deviates.

Colorado increased penalties for violation of the narcotic and drug statutes.

Georgia provided that child abandonment be considered a felony. It increased sharply the penalties for selling narcotics and authorized the death penalty on second conviction of selling narcotics to a minor.

Kentucky made gambling on the premises direct cause for revocation of liquor licenses, increased penalties for traffic in narcotics and made throwing of games or manipulating points in athletic contests punishable by fines and imprisonment.

Mississippi strengthened its laws against traffic in narcotic drugs and marijuana. The legislature required the Governor's signature and consent for any paroles and parole revocations to be effective.

Missouri strengthened its laws against gambling and traffic in narcotic drugs.

Rhode Island tightened penalties for narcotics peddling and gave narcotics investigators power to arrest.

Virginia sharply increased penalties for selling narcotics, particularly to minors; for purposes of the law marijuana is considered a narcotic. Fines up to $3,000 and sentences of ten to twenty years were authorized.

Other Legislation

Arizona extensively revised its state land code.

Georgia's legislature restored to the Milk Control Board authority to fix prices in milk sheds where contracts do not exist between producers and distributors. Another act provided that, effective in January, 1954, the Atlanta city government will have a new, seventeen-member Board of Aldermen—two members to be elected from each of eight wards and one at large.

Kentucky adopted a new mine-safety bill and raised benefits under workmen's compensation for occupational injuries, disease and death. The legislature abolished daylight saving time in the state. Among various enactments affecting state-local relations it authorized the Louisville area to control air pollution on a countywide basis and gave taxing units in the Tennessee Valley Authority area 70 per cent of the money TVA sends to Kentucky in lieu of taxes; hitherto the state retained the full amount.

Maryland provided that persons defined as subversive under the Ober law may, if they are prospective lawyers, be refused admission to the bar and, if they are practicing lawyers, may be disbarred.

(Continued on page 162)

Virginia Retirement Plan

(Continued from page 142)

the months of December and January were fully utilized to acquaint the membership of the Virginia Retirement System with the proposed plan. The Virginia Education Association, Virginia Teachers Association, the State Employee Retirement Committee and the Board of Trustees of the Virginia Retirement System combined in this effort through the media of newspapers, radio, association publications, pamphlets and group meetings.

Response to the plan for the most part was favorable. Some members were skeptical yet very much interested. A few voiced opposition, but a majority seemed heartily in favor. Although time did not permit a referendum, the state and teacher groups, through their representatives, approved the plan.

On January 9, 1952, following the Governor's message to the General Assembly in which he commended the plan, three companion bills were introduced in the House and Senate.

The first provided for repeal of the Virginia Retirement System, effective February 1, 1952, and contained the provisions protecting the vested rights of the members.

The second bill, also to be effective February 1, 1952, was for the purpose of enabling the state to enter an agreement with the Federal Security Agency for Social Security coverage of governmental employees.

The third bill, to be effective March 1, 1952, provided a new retirement system to supplement Social Security coverage for employees who were eligible for membership in the Virginia Retirement System.

At a joint hearing of the Senate Finance and House Appropriations Committees on January 21, 1951, representatives of all interested groups unanimously recommended passage of the three bills.

The first two bills passed with only two dissenting votes in the House, none in the Senate. When the Governor affixed his signature on January 31, 1952, these bills became identified as Chapters 1 and 2 of the Acts of Assembly 1952.

The federal-state agreement was executed on February 16, 1952; it covered employees of the commonwealth, the local school boards and a number of political subdivisions.

The House and Senate passed the third bill by unanimous vote and, with the Governor's approval, it established the Virginia Supplemental Retirement System, effective March 1, 1952. It is interesting to note that all amendments to the bill were sponsored by the Virginia Advisory Legislative Council, which shares with the floor leaders of the House and Senate the credit for exceptionally able handling.

Most of the political subdivisions have elected to be included under the federal-state agreement. All 140 school boards and all state employees except those covered under special systems, such as judges and state police, are included in the federal-state agreement.

Experience under the combined Federal Social Security and Virginia Supplemental Retirement System has not revealed any unanticipated problems. It is inevitable that some amendments will be necessary when the next General Assembly convenes in 1954, but nothing of a major nature would now appear likely.

Employees are now provided, upon qualifying under the combined system, with benefits for survivors, with disability benefits and with a very adequate service retirement, which also may include dependents' benefits. From this coverage should develop a greater sense of security on the part of Virginia's governmental employees.

California Builds a New Prison System

(Continued from page 146)

has been designed to permit the most modern methods of rehabilitation.

Next step down in the security scale is the Southern California Medium Security Prison, authorized but not yet under construction. It is to fill the gap between the stronger medium-security prison at Soledad and the institution at Chino. The Legislature has provided funds for purchase of a site, and it is expected that a suitable location will be selected soon.

Last in our chain of general facilities is the California Institution for Men, the minimum-security unit for adult male felons. Here are some 1,500 carefully selected men who can be handled in a less restrictive atmosphere than is customary in prisons for adults. Its major emphasis is on trade training and personal adjustment. This institution was formally opened on June 21, 1941. It is located on a 2,600 acre tract in San Bernardino County, near Chino. Following World War II, the main institution was substantially completed, permanent buildings replacing some temporary structures and filling needs not provided for in the original construction. As of March 31, 1952, the California Institution for Men—"Chino" as it is commonly called—had a population of 1,438 at the institution proper, and 290 men were assigned to road and forestry camps operated under its jurisdiction.

SUCH, BRIEFLY, are the institutions of the general class, from maximum to minimum security type.

First of those in the specialized class is the California Institution for Women, the only institution in California for adult female felons.

Women felons were held originally in a unit at San Quentin. The Legislature provided for a separate institution in 1929, and the first women prisoners were transferred to it from San Quentin in 1933. The California Institution for Women now is located eleven miles from the small town of Tehachapi in Kern County, surrounded by the peaks of the Tehachapi mountains. The institution was constructed to house 150 women but, since 1949, it has had an average population of more than 300. As of March 31, 1952, 408 women were confined there.

Meantime, because of the isolated location and crowded conditions, the Legislature has authorized the institution's removal. The state purchased a new site, 120 acres in San Bernardino County, about eight miles from the City of Corona, in 1949. Construction is nearing completion on the main buildings, and the major work is expected to be completed next December.

The new institution, like the present one at Tehachapi, is based on a modified cottage plan. Each unit has its own sleeping quarters, kitchens and dining rooms. Facilities are being provided at Corona for a more adequate hospital than that at Tehachapi, and there will be buildings for proper housing of industry operations. Corona will have capacity for approximately 480 inmates, and the planning provides for an increase to 600 if necessary.

For younger male prisoners we have the Deuel Vocational Institution, which opened in March, 1946, in temporary quarters at a former Air Corps flight academy near Lancaster, Los Angeles County. Its primary purpose is to provide custody, care and training for young men too mature to be benefited by the correctional schools for juveniles, yet too immature in crime for prison confinement. Its permanent home is being built on a 783-acre tract, six miles southeast of Tracy, San Joaquin County. First contracts were let in 1950, construction is now well advanced on the main group of buildings, and completion is expected for early 1953. The institution will have capacity for 1,200 young men, as compared with 550 at Lancaster.

The majority of the inmates now at Lancaster are wards of the California Youth Authority, which commits them to the institution and determines their lengths of stay. When the establishment at Tracy is opened, the Department of Corrections will be able to place several hundred of its younger men there as well.

Our most specialized institution is the California Medical Facility. The 1949 session of the Legislature authorized its establishment in temporary quarters because of overcrowding in existing institutions and the immediate need for special segregation and treatment of a large number of mentally abnormal and chronically ill prisoners. Through the cooperation of the United States Navy, the Department of Corrections leased the federal prison facilities on Terminal Island, San Pedro, and opened the Medical Facility there on July 1, 1950.

Because of the limited number of cells and other security factors, care had to be exercised in selection of patients for transfer. Consequently, those selected do not include all who need prolonged hospitalization. The early selection of patients was limited largely to the psychotic, the tubercular, those afflicted with certain mental and nervous disorders, and sexual deviates. These inmates, who in most cases are also custody risks, have filled the total of secure cells and dormitories, which only accommodate 700.

By using temporary facilities, outside of the main security area, an additional class of prisoners—men too old for active work assignment in industries or on farms—has been housed at the Medical Facility during the past year. Three hundred of these have been established in their own barracks area at Terminal Island, where they have a separate dining room and recreation facilities. Efforts are being made to establish a realistic program for them.

Establishment of the Medical Facility at Terminal Island has been a stop-gap measure. In 1946, 900 acres about two miles south of Vacaville in Solano County were acquired as a site for a permanent institution. Plans for it are completed, and construction is expected to start this summer. The patient capacity of the first units will be 1,400.

In the California Medical Facility significant experimentation is being carried on in treatment of sex offenders and other psychiatrically deviated personalities.

With completion of new institutions now under construction and planned, we believe that the Department of Corrections will be well on the way to accomplishing many of its aims. However, if our prison populations continues to grow as in the recent past, we will still need additional facilities. There is no certain method of estimating the population of prisons in years to come except to relate it to general population growth in the state. On that basis, the population of California prisons in 1960 may be estimated at between 14,500 and 15,000. The latter figure would be an increase of 30.5 per cent over the California prison population of 1950. The United States Bureau of the Census recently issued population estimates indicating an increase of 33.2 per cent for California's population in the next eight years. This would make our estimate of 15,000 as the prison population for 1960 a conservative one.

The costs of building and operating institutions

continue to grow. The social waste of confining thousands of people for years on end in non-productive and purposeless idleness cannot be justified on any rational basis. We believe that a hard-headed, realistic approach to the problem must include certain basic ingredients.

First, every possible effort should be made by all agencies of government to keep people out of institutions if the public interest can be equally well served by treating them in the community, as, for example, through use of good probation supervision.

Second, institutions for convicted offenders must in fact be treatment and training centers, not places of punishment for punishment's sake. Appropriate institutions will cost more to build and operate than the old "warehouse" type prisons, but only the carefully selected few should be confined in them, and then for as short a time as is reasonably consistent with safety and the public welfare.

Finally, administration of prisons and parole must be protected from political influence. This is not only in the interest of the public. Let us also have a thought for the politician himself, who does not realize, usually, how white hot the prison "potato" can be.

Interstate Enforcement of the Tax Laws of Sister States

(Continued from page 150)

two years, by enacting reciprocal statutes for the enforcement of tax claims, nine more states have taken the bull by the horns. At the present time at least twenty states and the Territory of Hawaii have passed such legislation.[2] . . . A precedent for this course of action was established when many of the states adopted the Uniform Reciprocal Transfer Tax Act, thereby providing for the collection, in the course of administrative proceedings, of death taxes owed to other states. A decision of the United States Supreme Court in 1930 had afforded a loophole by which inheritance taxes on intangible property could be avoided altogether. The Court held that the imposition of an inheritance tax by more than one state was contrary to due process but decided in favor of the state of the decedent's domicile as against the states having control of the intangible property. Thus if residents of one state were to keep their intangible personal property in safe deposit boxes in another state and the administration of it, after death, took place in the second state, no death tax would be payable to either state.

During the last twenty years there has been an increasing trend toward interstate cooperation. Although each state is a quasi-sovereign it is also a member of a federation of states with common problems and obligations that transcend state lines. Modern conditions in the United States have necessitated mutual assistance in many ways. It is not likely that the states of the union could have continued to exist without the extradition and interstate rendition statutes. Interstate compacts, reciprocal and uniform laws have helped to solve many of the difficulties inherent in a federal system. The compact has been successfully used in such fields as water allocation, pollution control, fisheries, forest protection and social welfare. Many of the interstate relationships are the result of the work of the Council of State Governments. . . .

The Uniform Dependents Support Act is a particularly interesting instance of recent interstate cooperation to solve a vexing problem. Before 1948 there was no civil procedure to enforce the support of abandoned wives or children when an absconding husband or father crossed a state line. Any criminal process was inadequate both because of the expense and the fact that the arrest of the wage earner destroyed the source of income. In an attempt to remedy this situation New York State enacted reciprocal legislation. By July 31, 1951, thirty-nine states and three territories had workable reciprocal statutes which conferred additional jurisdiction and powers upon courts in support proceedings against persons residing in other states.

Fiscal cooperation between the states is of prime importance. Information on tax returns is now widely exchanged between the states, and cooperative and joint audits have been undertaken. The complete evasion of tax responsibilities by some only increases the burden for others. Good government should not countenance such equivocation if it is remediable.

"BAWI" Program

(Continued from page 152)

After these full faith and credit bonds have been voted and sold, all of which must be approved by the board, the community or district enters into a contract with the proposed industry; its terms also must be approved by the board. The company must agree to lease and maintain the proposed site and buildings and to pay rent to the municipality in an amount and according to a schedule so that the municipality can fully amortize its bonds during the terms of the primary lease, which shall not exceed twenty-five years.

The company has the option to renew the lease at

[2] Alabama, 1947, Act 671; Arkansas, 1951, Act 73; California, 1937, Ch. 708, 1951, Ch. 1381; Georgia, 1937, Act 296; Indiana, 1951, Ch. 180; Kansas, 1951, Ch. 505; Kentucky, 1950, Ch. 72; Louisiana, 1950, Act. 19; Maine, 1949, Ch. 131; Maryland, 1950, Ch. 2; Michigan, 1951, Ch. 9; Minnesota, 1949, Ch. 145; New Hampshire, 1951, Ch. 14; North Carolina, 1939, Ch. 158, Sec. 938, 1943, Ch. 747; Oklahoma, 1939, Ch. 66; Oregon, 1947, Ch. 387; Tennessee, 1949, Ch. 157; Washington, 1951, Ch. 166; Wisconsin, 1947, Ch. 409; Hawaii, 1949, Act 311; Missouri (general comity statute), R. S. 1939, Sec. 856.

a nominal rental for additional terms, the total time from beginning of the primary lease not to exceed ninety-nine years.

Newly established manufacturing enterprises may receive exemption from local and county *ad valorem* taxes for a period of five years on all property except products of the manufacturing operation. The company applies to the local taxing authorities for this exemption, which must be approved by the Agricultural and Industrial Board. The site and buildings of BAWI plants are owned by the municipality and are not subject to taxation.

Although Mississippi is the first and only state with such a public policy, other states have been and are practicing it, some through the issuance of revenue bearing bonds. BAWI is here to stay, as far as Mississippians are concerned, because it is bringing results too obvious to overlook.

Action by the Legislatures

(*Continued from page 158*)

Mississippi increased maximum weekly benefits under unemployment compensation. It expanded the Balance Agriculture with Industry program by enabling local governing authorities to grant ad valorem tax exemptions to new industries properly certified by the BAWI Board; the board was granted additional powers and its membership was increased. The legislature referred the question of prohibition repeal to popular vote in an August 25, 1952, primary; in effect voters are asked whether they wish the legislature to enact a county-option liquor law or more stringent measures to enforce the present prohibition law. Other enactments included a bill permitting women to serve on juries on a voluntary basis, a trademark law developed by the National Association of Secretaries of State, and an act extending the provisions of the farm and home loan program to veterans of the Korean conflict. The legislature authorized all Mississippi municipalities to adopt the council-manager form of government by special election and voted cities outright grants totalling $2 million—$500,000 to be divided among county seat cities, the remainder on the basis of population.

Missouri authorized city and county land clearance for slum elimination and public housing. A new small loan interest law was enacted.

New York preserved unemployment compensation rights for veterans who have served in the armed forces since 1946; provided that those serving shall have their driver's licenses extended automatically; extended for two years an act to protect servicemen from enforcement of default judgments, fine, penalties, evictions, mortgages, insurance premium payments, etc.; exempted disabled veterans from paying motor vehicle registration fees except on trucks and buses; and provided for pension rights of public employes in the armed services. The legislature prohibited discrimination in hotels, resorts or amusement places because of race, color or creed; prohibited televising, broadcasting or taking motion pictures of official proceedings at which witnesses are compelled to testify; approved the manufacture and sale of pre-colored oleomargarine; repealed numerous Sunday "blue laws"; permitted sports events and shows on Sunday under local option; and broadened the powers of the State Boxing Commission to "clean up" boxing and wrestling. In another measure it adopted a model bill suggested by the Drafting Committee of the Council of State Governments permitting out-of-state banks to take requisite action to protect their mortgages and loans upon property in New York.

Rhode Island changed the name of its F.E.P.C. agency to the Commission against Discrimination and broadened its powers to cover public accommodations. The legislature liberalized the workmen's compensation laws by increasing to $12 the daily payments that may be made for hospital ward care in compensation cases, by increasing to $500 the burial-expense allowance, and by adding death from occupational disease as grounds for payment of burial expenses. Other enactments enable banks to invest up to 5 per cent of their deposits in common stocks and enable savings banks to invest in bonds of the provinces of Canada.

Virginia provided for creation of a Virginia Ports Authority and appropriated $324,000 to promote and develop the Hampton Roads port area. The legislature made it illegal for anyone to wear a mask, except for entertainment purposes, or to burn a cross on the property of another without his permission. Two enactments affect public utility labor disputes: One requires labor unions and management to inform the Department of Labor and Industry at least thirty days in advance of a contract termination date in such labor disputes, provides for mediation and conciliation, and requires that the Governor be informed of any imminent stoppage of utility services. The other empowers the Governor to seize and operate a utility through any state agency, provides for compensation to the utility and the state—the courts to settle any disagreement over costs—and requires that wages and working conditions remain unchanged for the duration of state seizure. Maximum workmen's compensation was raised from $20 to $25 a week and unemployment compensation from $20 to $22; employer contributions for the latter were reduced from three-tenths of 1 per cent to one-tenth of 1 per cent of total pay rolls. The General Assembly provided that a referendum must be held before a new housing authority may be established and that local governing bodies must approve new construction by existing authorities.

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GENERAL REVENUE, BY SOURCE AND BY STATE: 1951

(Dollar amounts in thousands)

State	Total			Taxes[2]						Intergovernmental revenue		Charges and miscellaneous
	1951	1950[1]	Percent change	Total[3]	General sales and gross receipts	Motor fuel sales	Motor vehicle licenses	Individual income	Corporation net income	Total[3]	From federal government	
All States	12,406,193	11,264,014	10.1	8,934,449	2,001,254	1,710,160	792,547	804,876[4]	687,339[4]	2,508,140	2,358,888	963,604
Alabama	188,354	179,689	4.8	116,921	32,972	33,207	6,951	12,903[4]	903[4]	54,479	51,239	16,954
Arizona	92,487	71,074	30.1	66,524	20,382	11,633	4,009	4,370	5,378	19,775	19,271	6,188
Arkansas	147,722	134,729	9.6	92,485	26,018	24,850	8,657	4,007	7,879	47,920	47,262	7,317
California	1,292,915	1,125,666	14.9	958,093	401,118	150,230	50,802	75,516	98,428	257,090	247,346	77,732
Colorado	158,825	143,755	10.5	100,357	30,063	22,485	6,788	12,397	6,535	42,600	41,752	15,868
Connecticut	163,585	142,986	14.4	123,931	33,312	20,354	8,773	.....	18,646	24,814	22,065	14,840
Delaware	36,819	33,975	8.4	28,485	105	4,722	1,745	9,087	.....	5,025	4,673	3,309
Florida	274,654	231,726	18.5	205,193	47,425	57,388	24,310	.....	.....	56,181	54,116	13,280
Georgia	239,343	201,803	18.6	152,579	8,110	53,903	5,469	14,806	21,781	7,324	67,901	16,440
Idaho	58,587	51,891	12.9	34,121	.....	10,962	1,895	6,393	3,500	16,730	16,034	7,736
Illinois	530,388	503,691	5.3	419,249	187,556	61,602	44,332	.....	.....	92,593	91,613	8,546
Indiana	316,964	282,689	12.1	238,803	112,440	43,968	23,192	.....	.....	48,405	44,856	29,756
Iowa	232,011	214,612	8.1	162,409	60,588	29,787	29,386	18,582	2,961	52,856	43,402	16,746
Kansas	175,819	173,755	1.2	122,856	42,968	26,952	14,600	10,224	3,644	36,202	34,984	16,761
Kentucky	182,421	161,143	13.2	122,911	.....	39,568	8,020	14,789	9,400	48,466	48,314	11,044
Louisiana	384,850	363,999	5.7	262,069	50,337	45,931	8,562	19,955[4]	(4)	81,665	79,933	41,116
Maine	66,919	64,807	3.3	43,160	.....	13,326	6,061	.....	.....	18,004	14,734	5,755
Maryland	185,994	171,403	8.5	144,417	30,513	25,734	14,357	20,808	12,283	23,131	20,823	18,446
Massachusetts	409,988	335,726	22.1	294,340	.....	28,079	7,672	65,798	26,309[6]	96,951	84,890	18,697
Michigan	604,320	542,029	11.5	452,749	247,584	51,478	45,632	.....	.....	93,626	86,488	57,945
Minnesota	309,318	278,653	11.0	215,581	.....	36,834	25,279	42,898	19,154	52,888	49,927	40,849
Mississippi	156,496	139,493	12.2	101,105	28,441	29,256	3,175	4,222	8,841	44,202	41,498	11,189
Missouri	272,120	259,345	4.9	180,511	81,238	21,897	20,580	26,888[4]	(4)	80,653	80,428	10,956
Montana	65,206	56,913	14.6	34,771	.....	10,742	2,091	4,435	2,615	21,572	20,004	8,863
Nebraska	91,066	91,082	(7)	52,558	.....	23,064	2,339	.....	.....	28,043	24,005	10,465
Nevada	26,121	22,931	13.9	13,040	.....	4,210	1,763	.....	.....	8,189	7,617	4,892
New Hampshire	36,877	32,660	12.9	22,528	.....	5,375	3,946	2,548	.....	9,868	8,234	4,481
New Jersey	227,660	211,846	7.5	167,763	.....	36,853	37,499	.....	.....	45,065	33,126	14,832
New Mexico	101,791	86,959	17.1	59,648	20,023	15,912	5,653	2,056	1,303	23,115	22,817	19,028
New York	1,118,450	1,084,532	3.1	915,144	.....	97,175	79,281	247,692	167,280	148,809	145,181	54,497
North Carolina	342,063	294,063	16.3	255,667	50,004	64,575	19,491	30,148	39,101	57,211	54,632	29,185
North Dakota	79,113	76,601	3.3	42,352	12,049	6,510	5,918	3,812	1,351	15,426	13,794	21,335
Ohio	537,692	501,425	7.2	418,745	160,574	82,382	47,627	.....	.....	9,277	84,434	27,670
Oklahoma	269,230	249,231	8.0	176,136	38,895	39,741	20,642	8,766	8,289	69,705	69,114	23,389
Oregon	157,094	144,958	8.4	109,718	.....	28,726	16,207	35,946	14,538	33,043	27,372	14,333
Pennsylvania	660,733	591,883	11.6	498,106	.....	111,871	55,130	.....	91,495	113,452	103,146	49,175
Rhode Island	59,184	53,864	9.9	42,998	6,684	6,536	4,925	.....	6,678	12,746	11,614	3,440
South Carolina	151,846	137,211	10.7	103,790	.....	32,068	4,713	12,016	13,552	33,673	32,815	14,383
South Dakota	68,761	62,972	9.2	41,954	18,387	7,838	2,308	.....	150	17,124	15,463	9,683
Tennessee	236,566	220,549	7.3	165,458	49,438	45,782	12,424	3,761	12,201	60,593	56,232	10,515
Texas	559,129	520,803	7.4	352,224	.....	87,279	29,383	.....	.....	144,189	138,404	62,716
Utah	74,765	65,982	13.3	49,948	16,401	8,486	2,799	5,992	2,485	17,601	17,324	7,216
Vermont	30,021	29,098	3.2	22,151	.....	5,093	3,812	3,542	1,360	6,035	5,429	1,835
Virginia	225,854	204,040	10.7	162,049	.....	46,978	13,948	24,784	25,466	30,834	29,093	32,971
Washington	311,582	272,032	14.5	226,213	119,102	41,472	11,267	.....	.....	62,224	59,269	23,145
West Virginia	142,812	130,835	9.2	107,053	61,579	18,451	9,410	.....	.....	27,316	26,842	8,443
Wisconsin	311,089	277,694	12.0	233,460	.....	33,857	27,267	55,735	53,833	53,190	46,275	24,439
Wyoming	40,589	35,211	15.3	22,126	7,043	5,038	2,457	.....	.....	13,260	13,103	5,203

[1]Revised.

[2]For detailed preliminary data, by source, see the Census Bureau report, *State Tax Collections in 1951*.

[3]Includes amounts for categories not shown separately.

[4]Combined corporation and individual income taxes for 3 states—Alabama, Louisiana, and Missouri—are tabulated with individual income taxes. Amount shown as corporation tax for Alabama represents only taxes on financial institutions.

[5]Back taxes only.

[6]Excludes $70,819 thousand, corporation excise taxes and surtaxes measured in part by net income and in part by corporate excess, which are included with license taxes.

[7]Less than 1/20 of 1 per cent.